

step



# Build an “On-Purpose . . . On-Target” Business!

Imagine you owned the perfect business. What would it be like? In my perfect business, I would come into the office two or three days a week. I'd check in with my managers. Review their numbers, accounts, operations, projects, and progress. Give them some coaching, encouragement, and direction. Call a few loyal customers and take them to lunch. Check on my other business ventures, real estate properties, and investments, and look at their financial statements. And, of course, make lots of money. Then I'd spend the rest of my time golfing, sailing, traveling with my wife, and doing all the other fun stuff I love to do! What do you think? Sound like a good life?

---

**Be a business owner, not a worker!**  
The perfect business plan:  
Work a little—make a lot!

---

When your business and money work for you, you have an **“On-Purpose ... On-Target” business!** You’re an owner, *not* a hands-on, make-every-decision, overworked, underpaid supervisor and worker. And your worst problem is figuring out what you want to do next.

## So, Why Are You in Business?

When entrepreneurs start companies, they’re excited to be on their own, land some accounts, and start making money. They do a good job because they stay intimately involved in every aspect of their business. Then they get busier, hire more employees, get more customers, increase their overhead, and accumulate more projects to worry about. Then they get stressed out and unfocused because they’re constantly putting out multiple fires. They forget why they’re in business. They keep stretching, working harder and harder to make enough money to stay in business, keep the doors open, keep employees busy, and keep cash-flow coming in.

After five, ten, or twenty years, many business owners wake up and start questioning their efforts and methods. Nothing seems to get better. Their repeat customers ask them to work cheaper, faster, and better, and accept slower pay. Their employees want more for doing less. The government makes it tougher to make money. They’ve been in business for years but don’t have much to show for their efforts except sour attitudes, tired bodies, more wrinkles, lots of aches and pains, less hair, and more stress. In fact, they’ve lost their passion and have forgotten the real reason they went into business in the first place—to get paid for doing something they love. Does this sound familiar?

## Wealth and Freedom

Making money as a business owner is different from being wealthy. When you own a business that doesn’t work, you have lots of money some days, and others you can’t make ends meet. Being wealthy means having a steady inflow of cash to your bank account. Being wealthy gives you time, energy, freedom, and extra funds to use however you want: to help your

family, to improve the lives of your employees, your neighbors, or strangers in need, or to give back to others.

To achieve wealth from the long-term cash-flow of your business, you have to work toward **creating financial independence**. When you continually struggle just to make enough money to stay alive, you spend all your time worrying about paying next week’s bills, finding new customers, keeping your employees busy, and trying to survive. You shouldn’t be working for your business—*it should be working for you*.

**Wealth gives you choices** and allows you to enjoy both your business and personal life. Most business owners work hard their entire lives. Yet my surveys of over 5,000 small business owners show that only one or two out of twenty-five ever become financially wealthy. Only five out of twenty-five ever become financially independent. The rest must keep working well into their retirement years, because they never stopped long enough to figure out how to fix their businesses and reach their goals. I know. I was on that treadmill for a long time.


## The Entrepreneur’s Journey

After graduating with a degree in engineering, I worked for four years as a civil engineer and then as a construction project manager. But, like my dad, I wanted to be my own boss. The problem was, as an engineer, I had no clue how to run a business. Nonetheless, in 1977 I had the opportunity to start a construction company, so I took the chance to make it big and work for myself. I figured it would be easy—bid cheap, work hard, and stay busy! At twenty-seven years old, I had four years of experience, \$2,000 in the bank, I had just bought my first home, and the country was in a recession. It was the perfect time to start Hedley Construction!

I figured I already had all the tools required for success in construction: a contractor’s license, a used orange Datsun pickup truck with 92,000 miles on it, a metal toolbox and lumber rack, a golden Labrador retriever, a ten-gallon ice chest, a big radio, a new hard hat with my name engraved on it, and a thirty-foot contractor’s power lock tape measure.

I'll tell you from experience, it's pretty easy to start a business with the wrong tools. The problems started soon after my business began to "work." I realized I didn't know what I actually wanted, apart from more work and more money. So I sat down and wrote out what it was that I really wanted—for my business, and for my life.

**Most business owners never become wealthy** because they don't take the time to plan out exactly what they want. *They just know they want something different than what they're getting now!* So, in order to be a success, you must first figure out what you want, and then design the steps you need to take to build a business that works exactly the way you want it to.



**The purpose of every business is to give the owner what he or she wants!**

## What Do Business Owners Really Want?

I'll tell you what *I* want. I want my business to be:

- Completely run by my management team
- Organized and systemized
- A great place to work that attracts the best employees
- Built on satisfying loyal customers
- Making double the average industry profit
- Growing my equity and building wealth
- Creating lots of freedom and fun

*Who wants to own a business that has cash-flow problems, doesn't allow you to take any time off, and doesn't build your net worth?*

It took me nearly twenty years to understand that a business is a tool to create opportunities to give me what I want. The purpose of your business



***Most business owners operate their business without a set of written plans.*** They don't really know what they want, so they take whatever they can get and go wherever their customers take them.

Think about your company. What would make it perfect for you? If you could hire a business consultant to design and build the perfect business, what would it look like?

Throughout this book are several Business-Builder worksheets for you to fill in and complete to help you get your business to work. They are all available at no charge to download for your use. To download any or all of the worksheets, visit:

**[GetYourBusinessToWork.com/book](http://GetYourBusinessToWork.com/book)**

---

## **Business-Builder Worksheet #1**

### **Describe Your Perfect Business:**

How would it work?

1. What would it do?
  2. How big would it be?
  3. What type of products, services, or projects would it be known for?
  4. How would it be unique and different from the competition?
  5. What type of customers would it target?
  6. How much money would it make?
  7. How would it make a difference in your industry or community?
  8. How would it be organized, systemized, and in control?
  9. What would it do for *you*?
  10. Would it deliver peace of mind, security, freedom, and fun?
-

## Get a Plan—Get a Grip!

Most entrepreneurs start their companies without a clear vision of what they want or a written business plan specifying their targets and goals, a management team, enough capital, leadership skills, or knowledge of how to run a profitable business. When I landed my first construction project, it went well because I did everything myself. It’s simple when you have no overhead, no employees, only one project, and only one customer. You make all decisions, supervise or do all the work, make all the purchases, prepare all the proposals, sign every contract, and deal personally with every customer.

### *The problems begin when you start to become successful.*

As your business grows, you work more hours. Your overhead increases, cash-flow becomes tighter, and you have to do more work to make the same amount of money. You don’t have any extra time to check the details, make good decisions, plan ahead, or think. You start losing control, and quietly—or perhaps not so quietly—you panic as your business starts to control you.

You decide you have to find some good help. So you hire the most “experienced” people you can find—your friends and relatives. And *of course* this doesn’t work out the way you want it to.

Next you hire an experienced manager to run part of your company, a professional who will relieve some of your problems and stress. Hopefully this will free up some of your time to concentrate on more important issues and priorities, and allow you to be far less hands-on.

**But you can’t let go, can you?** You don’t let your manager make decisions without checking with you first. You complain you can’t find any good people who are accountable, responsible, or will work as hard as you. But you don’t really take the time to find anyone or train the employees you have. So your problems pile up and multiply. **People are now your biggest problem, not the solution.**

*And your business still isn’t working.*

Next, your finances begin to spiral out of control. You don't have a clue if you're making any money or where your finances are. So you hire a part-time bookkeeper, another relative or friend, who used to pay the bills at a donut store. But since you don't know anything about accounting, you are at her mercy. And you hope she doesn't ask you any questions or bother you with the numbers—you might have to confront the awful truth that you're running in circles, working twice as hard for less and less and less money—going nowhere fast.

The challenges of business ownership continue to mount.

***You continually ask yourself:***

- How do I get all the work done the way I want it done?
- How do I deal with cheap competition?
- How do I make more money?
- How do I get paid faster?
- How do I deal with unhappy customers?
- How do I find trained employees?
- How do I ever get ahead?
- How do I stop running in circles?

There are so many details. You get bogged down, inefficient, and ineffective. Things take longer to finish. Ever-increasing paperwork gets in the way of doing the piles of unfinished work in front of you. And you only have enough time to put out the fires that are always flaring up. You have to make all the decisions for everyone and try to do all the important tasks yourself. You are now officially overworked and underpaid.

***If your goal was to be busy—you've made it!***

When you're busy, you don't have time to train your employees, become efficient, make good decisions, improve customer relationships, or offer more than your competitors. So you continue to sell at low prices to compete, knowing you'll suffer the consequences later. Everyone likes you because you're operating at overload capacity, you buy lots of supplies from your vendors, and you keep your employees working overtime. Everyone likes you, except your family and friends—and yourself!



You're totally stressed out and frustrated. Your life is out of balance, your business is out of control, your company consumes your every waking moment, and you aren't making any money.

**Your business is now “Off-Purpose . . . Off-Target.”**

**Have you ever said to yourself, “I’m too busy working to make any money”?**

While writing my first book, *On-Purpose . . . On-Target! How to Balance Your Personal & Business Life to Get Everything You Want*, I learned that all successful people have three things in common.

**Successful business owners:**

1. **Know what they want** (*their targets and goals*)
2. **Have a written plan** (*to achieve their targets and goals*)
3. **Always track progress** (*toward their targets and goals*)

*Aim at nothing . . . hit it every time!  
Aim at specific targets, and you’ll be surprised at what  
you can accomplish!*

---

**Successful business owners know what they want and decide what’s important.**

---

Before you can get your business to work, you’ve got to know what you want it to do for *you*. What do you want? When I do presentations to business owners at conventions, they tell me their ideal business would allow

them to have three or four weeks off every year to travel. They want a company run by a trusted management team that is empowered to make decisions and get things done. They want a unique and excellent product or service which allows them to charge more than their competitors. They want their company to have business systems in place that produce consistent results for their customers and their bottom-line year after year. They want 90 percent of their business to come from loyal repeat customers and clients who only buy from them. They want to make at least 25 percent annual net return on their equity. They want their business to allow them to expand and find additional business opportunities to grow their net worth. They want to be in control of their future and have time to enjoy the benefits of business ownership.

Use these ideas to make a list of what you want your business to do for *you*.

---

## **Business-Builder Worksheet #2**

### **What I Want My Business to Do for Me:**

Personal

Business

Financial

Operational

Customers, Marketing, and Sales

People and Leadership

Equity and Wealth

Freedom and Fun

---

## The Entrepreneur’s Decision

It was simple when you did all the work yourself, but now you’re a business owner with customers and employees. And management isn’t fun. Besides, you’re a lousy manager and you can’t get people to do what you want them to do. You have become the complaints department.

*So what should you do next?*

*You have three choices:*

- 1. Go back to doing everything yourself*
- 2. Sit and wait for things to change*
- 3. Work differently*

To build an On-Purpose . . . On-Target business, you can’t shrink your company to just you again. And you can’t sit and wait for something good to happen. Your only choice is to **change the way you work**. It might seem easier to change your employees, customers, vendors, subcontractors, or suppliers. **But to get what you want, you’ve got to change yourself first.** Change the way you think, do business, manage, prioritize, work, and lead.

## New Ways or No Way!

In 1985 I finally made a decision to get my business to work for me and without me. I had to change, and that meant implementing new ways of running and operating my business. I dedicated four hours a week to improving my business, installing systems, getting organized, writing operational procedures, and training my employees. You can too. Commit to getting organized and in-control by replacing yourself with systems. Work on setting goals, creating budgets, and fixing things that always go wrong. Work with your key managers and make it your priority to delegate as much as you can to them. Set up checks, balances, and tracking systems for every department, and focus on helping your key people become the best they can be.

If you were looking to buy another company, what would you want to know about it? You would ask to see their financials, customer logs, receivables, assets, and liabilities. You would want to meet their employees, look at their operations, and study their competition. What would you have on your list? The first thing I would want to know before buying a company would be:

---

Does the business work?  
OR  
Would I have to do the work?

---

I wouldn't want to buy a company where I'd *become* the company—make all the decisions, control everything, and supervise every detail. I would only be interested in buying a company that works and doesn't require me to do much, except to go to the bank and count my money.

## Do You Own a Job Instead of a Business?

***The problem with most small companies is that the owner plays too big a role in everyday operations.*** Without the owner's constant attention and involvement, the company wouldn't work and couldn't continue to do business. So ask yourself:

- ***Do you own a business that can work without you?***
- ***Do you own a job instead of a company?***

You want a business that is On-Purpose . . . On-Target and meets your personal objectives. To achieve that goal, you'll have to start working to improve your business so you can reap the ultimate benefits of business ownership: time, fun, freedom, profit, equity, and wealth. Perhaps you don't know the difference between an income statement and a balance sheet. Perhaps your strengths aren't managing people, finances, overhead, cash-flow, or the bottom-line. Perhaps you don't set goals, don't know how to run a business, or don't think you're the problem.

***But only you are responsible for you—and the results you achieve.***

Only you are accountable for your daily decisions and actions. Only you can do what’s necessary and required to get what you want to meet your goals. Look in the mirror for a better view of the potential problem.

## **When’s Your Wake-Up Call?**

Bill owns a successful engineering and manufacturing business he started seven years ago. His business grew quickly to \$1 million in sales with fifteen employees. Then it stopped growing and his profits began to shrink. As work began to get more competitive in his market, he had to lower his prices to keep his employees, factory, and equipment busy. He had a hard time making people accountable and getting them to do what he wanted them to do. When his company was smaller, it had been easy for him to act as the ringleader, process all the work flow, and meet with customers to keep them happy. But now he was getting tired of working harder and harder and getting a smaller return for all the energy he expended.

Bill was frustrated and called me to ask for some help. I did a survey of his employees and found out that while he had managers and key employees, he didn’t delegate many decisions or responsibilities to them. He was still approving every estimate, purchase, shipment, order, and personnel move. When he started his company, he had been able to get plenty of new accounts from his customer contacts and friends. He’d had time to manage the work process and make sure everything went well. But now that wasn’t happening, and his customers were demanding better prices and faster service. Bill was stuck, and his old ways of running the business weren’t working. What could he do? His choices were to grow his company or shut it down. But he hadn’t saved enough money to retire.

I suggested he lay out an organizational chart of every operation needed to manage and grow his business, then decide which roles he wanted to perform himself. Next I asked him to select and assign managers who would be 100 percent responsible for all the other tasks required to grow his business at least 20 percent per year. Bill decided to be accountable for

business development, marketing, and sales, and to delegate all the operations to his management team. Bill's next challenge: actually changing his controlling behavior. If he only delegated on paper but continued to micromanage in practice, his company would fail. He needed to spend all his time finding new customers and creating profitable revenue to get his company back on track toward meeting his goals.

**People tend to do what they're most comfortable doing:** pricing services, ordering materials, paying bills, meeting with customers, negotiating with vendors, scheduling crews, supervising people, or working with their hands. **The actual bottom-line results your business achieves are the #1 indicator of your priorities,** how you spend your time, and your ability to grow and build a company. Your priorities determine the importance you actually give to customer service, quality workmanship, financial reporting, operational systems, marketing, sales, motivating employees, and your visionary leadership. If you're not getting the results you want from your business, there's something wrong! And chances are, it's not your people, subcontractors, vendors, suppliers, competition, or customers. It's you! Your bottom-line results are the #1 indicator of your abilities as the leader of your company, and that includes your ability to let go. ***The answer is YOU!***

You are accountable for how you spend your time, manage, lead, delegate, trust people, and train your employees. I finally realized that to get the results I wanted in my company, I would have to make some big changes. But it's hard to change the way you always work. Eventually I had to stop saying things like: "I'm sure it'll get better!" or "Someday soon I'll finally get it right!" or "I know my company will work when I get that new operations manager/salesman/field supervisor/big job."

Here's a new way to look at your business:

<b><i>Not enough profitable sales?</i></b>	<i>Perhaps your sales systems stink.</i>
<b><i>Not enough loyal customers?</i></b>	<i>Perhaps your customer service stinks.</i>

<i><b>Selling at too low a price?</b></i>	<i>Perhaps you're not any better than your competition.</i>
<i><b>Not enough profit?</b></i>	<i>Perhaps your organizational systems stink.</i>
<i><b>Can't find any good help?</b></i>	<i>Perhaps you're not a good person to work for!</i>

**When's your wake-up call?** *Answer these questions to find out.*

## **Business-Builder Worksheet #3**

### **Define What You Want Your Role to Be:**

1. Why am I in business?
2. What are my current roles and responsibilities in my company?
3. What do I really want my roles and responsibilities to become?
4. What roles and responsibilities should I delegate to build and grow my company?
5. What else should I do with my company to allow it to reach my goals?
6. What's it going to take to get my business to work how I want it to?
7. What do I need to do to get my company to work without me?

## **Get in the Opportunity Business!**

When I finally took a long, hard look at my business, we were commercial general contractors selling construction services against too many competitors, at too low a profit margin. It seemed all my customers were buying low-price and wanting things faster and better.

Ask yourself: What business are you in? Are you in the retail, wholesale, supply, distribution, service, manufacturing, professional services, or consulting business? ***Or are you in the OPPORTUNITY business?***

Are you constantly looking for opportunities to build and grow your business, provide unique delivery methods or processes, add more value to your product and services, offer additional services, or be different than your competition? What opportunities do you seek to double your industry average profit, develop strategic alliances with suppliers or consultants, leverage your loyal customer relationships, engage in joint ventures, build a great place to work, build an empowered management team, leverage your equity, or seek wealth-building investments that don't require hands-on management? To get what you want and be On-Purpose . . . On-Target, you must ***change the way you think about your business.***

The natural tendency is to continue doing things the same way: working hard, staying busy, hoping business changes for the better, and trying to keep forcing it to happen. But let me tell you something. The purpose of a donut shop is not to make donuts. The purpose of a printing business is not to print documents. The purpose of a plumbing contractor is not to install pipes. The purpose of a law practice is not to try cases. The purpose of an advertising agency is not to create ads. The purpose of a manufacturing company is not to make things.

***The purpose of every business is to give the owner what he or she wants.***

To make this happen, you must decide to change your company into an opportunity business that seeks to accomplish three things at once:

- 1. Business income and profit**
- 2. Wealth-building investments**
- 3. Freedom and balance**

What do you need to do to start seeking more than a meager positive cash-flow or income? Your current business structure and systems most likely will only allow you to make a small amount of profit. But if you change



your focus, your business should present opportunities to seek wealth-building investments as well. This will allow you to enjoy freedom and balance in your life. Once I realized that the purpose of my business wasn't to build buildings for our customers, my future became clear. The purpose of my business was to generate income and profit, which would allow us to seek wealth-building opportunities, which would allow me to ***earn more, work less, and live the life I want!***

Being in the construction business, I started looking for ways to leverage our services by joint-venturing real estate development projects with our loyal customers. We would still be the contractor, but we also invested some money to be a partner in the projects. This allowed us to start small and learn the ropes while riding the coattails of professional real estate developers. We slowly learned how to find good property, equity sources, and lenders so we could build and develop real estate projects on our own. Once we got a track record, experience, and felt comfortable, I brought on a real estate partner who was knowledgeable in banking, real estate transactions, and investments.

As a result, we made a business decision to fire our bad customers who only shopped for the lowest price. We stopped doing projects we couldn't make an excellent profit on. And we changed our overall company goal from growing our top-line sales volume to growing our bottom-line profits, building our equity, creating wealth, and finding more time to enjoy the benefits of our business and investments.

---

## What you need is a **Business \$uccess Blueprint!**

---

Building a great business isn't easy. But it's not about working harder—***it's about working differently.*** It takes a burning desire to continually improve by setting clear targets, trying new ideas, installing systems, and tracking your progress. You must enjoy what you do, love your customers,

not be afraid to hire people better than yourself, and let go of making every decision. To build a profitable business, you must know how to price your services profitably, track accurate costs, understand contracts, and do the required paperwork. To expand and grow, you have to market and sell, get referrals, present winning proposals, offer unique products, and then provide great customer service. To take your business to the next level, you must learn how to trust people and delegate decisions to them. Your time is too precious to waste on small details. Your customers want your expertise, not your sweat. You need to work at a higher level and invest your valuable time on strategic things instead of micromanaging employees who should already know exactly what needs to be done and what your standards of excellence are. This means that ***you need to get organized and install systems*** so your people can do what you want them to do on a consistent basis with little or no input.

Remember Bill? When he presented his new organizational chart to his management team, they were skeptical. They weren't sure he could really delegate or relinquish control. But he tried, and he actually did a pretty good job in his new role as company management team leader plus director of sales. As the team began to get weaned off Bill making every decision for them, they started to see the potential of the company's future, and they got excited about their new roles and responsibilities. Their first task as managers was to organize a system for their operations. In the past, Bill had directed traffic and acted as the quality control and quality assurance inspector for everything they did. Now the managers were in charge. If the company was to grow, they would have to get everyone trained to do things the same way. This would require systems and procedures, as they planned to add more employees in the future.

As his managers began to install new systems, Bill gained lots of free time to meet with potential customers and look for better ways to serve them. He also began looking for opportunities to expand the business by providing new services and products. He started asking his loyal customers to consider creating strategic alliances with his company and expanding their joint reach to larger territories and national corporations. He was on a roll and enjoying his business more than ever. Profits began to rise, his equity

and net worth grew, and free time became more available. Bill’s business was working!

After seven years, Bill had hit a plateau. He had built his business to the point where he couldn’t grow any more without changing how he managed his time and employees. He finally realized he needed to change. ***Working harder didn’t pay the bills and wouldn’t grow his company any more.*** He had to look at his choices and determine what he really wanted his business to become.

What about you?

## Are You Stuck?

Is your business moving toward giving you what you wanted when you started your entrepreneurial journey? As businesses begin to grow, they hit challenges and roadblocks, including lack of time, energy, money, people, and customers. **Many business owners get stuck** at this point. They can’t let go. They feel they have to make every decision, big and small, and hold tight to the controls like a joystick in a video game. Some owners have organization and time management problems. Some don’t like paperwork or accounting and leave those tasks for others to handle. Others like to get their hands dirty and do the work, but don’t know how to run a business or make money.

Before small business owners start their companies, they are usually very competent employees or managers doing a great job for their boss (Level 1 on our **Business-Builder Growth Chart** on the next page). They are responsible and accountable, work hard, and dream about the day they can start their own business. Then it finally happens. They get bit by the entrepreneurial bug and make a decision to go into business for themselves. They go home one day and announce to their family and friends that they have quit their job and are going to start their own business. This is what I call “E Day.” (The E is for Entrepreneur, Exciting, Exceptional, Excellent, Erratic, or even Eccentric!) After the initial shock, family members ask where the newborn entrepreneur will find the money to get started, secure paying customers, hire trustworthy employees, and—of course—

pay the bills. Without fear, the new entrepreneur says: ***“Don’t worry. I’ll figure it out!”***

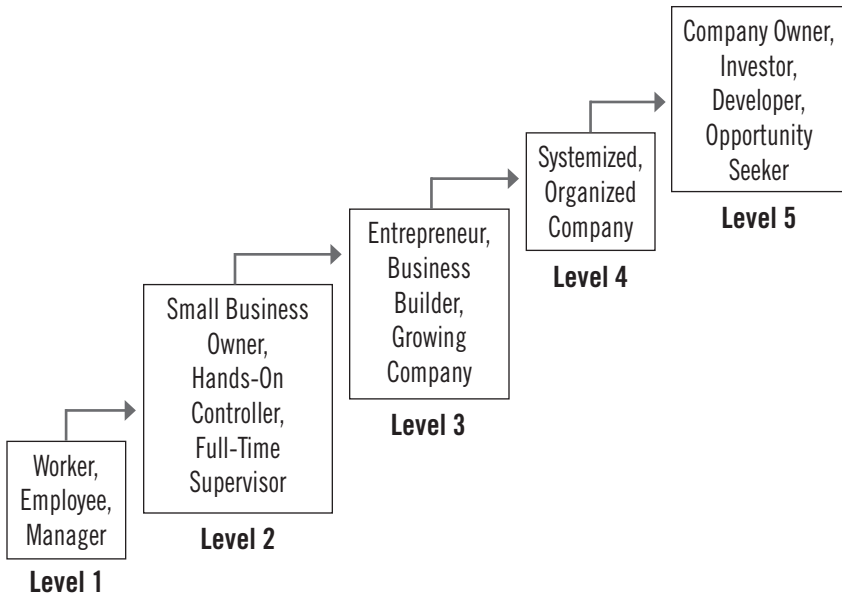
Most entrepreneurs are never content working for others. They want to do things their way, and feel boxed in following company rules and rituals. They need to escape and make their own decisions about how they want to do business, who they should hire, how many hours they should work, which customers they should do business with, and how much money they can make. So they start their business and seek a better way to make a living. But most never achieve their goals and dreams.



**You can’t get rich with your head in a ditch!**

---

## Business-Builder Growth Chart



After an entrepreneur gets infected by the bug, she starts her own business and moves to **Level 2** as a startup small business owner. Here she is in charge of every decision and fully in control of every moving part of her business. She supervises each little item, transaction, customer, contact, purchase, proposal, invoice, vendor, and employee. She is a hands-on controller and full-time supervisor who approves every purchase, schedules everything that needs to get done, and signs every check. She is the boss and calls all the shots. She is a full-time operator, knows how to do all the work, and actually does most of the important work. She *is* the business. Without her, there is no business and no company.

### **Most small business owners get stuck at Level 2.**

Some entrepreneurs remain sole practitioners forever. Others grow to two men and a truck. Some grow to eight employees at one location. And others grow to three managers and twenty employees. But when the company grows to the level where the business owner can't control everything anymore, it gets stuck and stops growing. At this point, the small business owner is unable to manage everything by himself. He knows he needs to do something different, let go, hire better people, delegate, install systems, find better customers, improve products or services, get a better handle on the process, or find more hours in the day. But he doesn't know how to do any of it. This is when he calls me and says: “**HELP! I can't get my business to work!**”

*The definition of an entrepreneur:  
A person who is growing a business in expectation of  
making a profit.  
The key word is “growing.”*

A business that doesn't grow will never meet the needs, wants, and desires of a driven entrepreneur. When you get stuck at **Level 2**, you begin to hate going to work because of all the demands and pressure to get everything done for your customers, employees, bankers, vendors, and subcontractors. So what should a business owner do who is stuck at Level 2? Remember your dream of a growing business to achieve your vision and goals. At

**Level 3** you get re-focused on what you want and realize again that you are an entrepreneur and business builder who wants to build a successful, thriving, *growing* company.

---

Are you a business owner?  
OR  
Are you a business builder?

---

As a business builder, you know how to build a company that works instead of having to know how to do all the work. You own a growing company and make that your focus and priority every day, in everything you do.

What do successful entrepreneurs have in common? How did they break through from Level 2 to Level 3 and then on to Level 4? The only way to move up to **Level 4** is to replace yourself with operational systems and get your company organized so it will operate without your constant attention. This is *the only way* you can get beyond *you* as the business. Systems allow you to get out of doing and supervising work. And with systems in place, you can then move to **Level 5** and become the **company owner**. When your role is primarily to be the owner, you'll have time to seek investments, develop new businesses, create other business opportunities, and enjoy the benefits of business ownership.

## Take the First Step Toward Building Your PERFECT Business

What will you do differently to get your business to give you exactly what you want? You *can* get your business to work. Envision your perfect company in five to ten years, working without you and making lots of money. Decide what you'll have to do to make this happen, given your people, customers, products, services, projects, money, and time. An On-Purpose . . . On-Target business meets both your business *and* personal goals. **Step one is to figure out exactly what you want.** Then you can make the changes

necessary to make it happen. Without knowing what it looks like, you can't draft and design your perfect business. Take the first step by making a list of everything you want your business to be, become, do, and provide for you in the next five to ten years.

Once you have re-discovered and written out the reasons why you own your company and the real purpose for your business, write out a simple and concise Business-Builder Purpose Statement. As a model to follow, take a look at the Business-Builder Purpose Statement I drafted several years ago:

### **My Business-Builder Purpose Statement**

The purpose for owning my business is to give me what I want!

First and foremost, I want my construction company to make double the industry average profit margin, build my personal net worth and equity at least 20 to 25 percent every year, and create wealth-building opportunities to own passive income-producing properties as a major part of our overall business plan.

I want my business to be organized, systemized, in-control, and 100 percent run by the management team. I want my company to provide excellent commercial construction and development services, deliver first-class, on-time projects, and provide full value with high integrity for loyal customers. I want all of this to happen so that I can enjoy time with my family and friends, take several annual trips with my wife, and be able to enjoy the benefits of business ownership.

My business will allow me to become wealthy, debt free, and have enough passive income to not have to seek cheap work or bad customers to stay busy. I will be able to contribute to and serve others, and still have plenty of time to give back to my family, industry, community, and charities.

Most importantly, I want my life and business to both be On-Purpose . . . On-Target!

*Now it's your turn to write out your Business-Builder Purpose Statement. You can download the Business-Builder Worksheet #4 to draft your Business-Builder Purpose Statement to help you draft a concise statement of the reason you are in business and what you want your business to do for you. So do it! Get moving and write down the purpose for owning your business and what it will allow you to do. Be sure to consider these four questions:*

*The purpose for owning my business is to?*

*My business will allow me to?*

*My company will allow me to enjoy?*

*My company will give me the ability to?*

## **What's Keeping Your Company from Being the Perfect Business for You?**

Not so long ago, I surveyed over 5,000 business owners while speaking at several large national conventions. My research revealed the following.

*The top two reasons small businesses fail are:*

- **The owner controls everything!**
- **The owner is unwilling to change!**

If the owner thinks he or she is irreplaceable and knows more than anyone else, you get a bad business because of a bad business owner. To be successful, business owners need to constantly re-examine how and why they do things. Most companies never get to the next level because the owner isn't willing to make necessary changes. They get stuck in their comfort zone, doing the same things over and over and never changing. The company gets stuck at the same level and can't improve. What happens often goes like this:



## The Downward Spiral

- Too much work for the owner to do alone
  - Hire cheap or untrained help
    - Work gets out of control
      - Customers get unhappy
        - Can't make enough money
          - Can't afford to hire better people
            - Can't find time to train people
              - No time for marketing or sales
                - Owner spends time putting out fires and fixing problems
                  - No referrals or repeat customers
                    - Have to sell at low price to get more work
                      - Can't make enough profit to grow the business
                        - No hope for the future



When I founded my company I had a pickup truck and a few dollars in the bank. Within seven years my commercial construction business had 150 employees and was doing \$50 million in annual volume. Along the way I struggled with the same problems all entrepreneurs face:

- Not enough good help
- Not enough time in the day
- Not enough profit
- Not enough patience to help my people learn how to do it right
- Few organizational systems
- No freedom to do what I wanted to do

## Better Is Better

When you do a good job for your customers by offering an excellent product or service, you *will* grow your business. This is both good and bad. It's

good, of course, because you create more revenue, but it's bad because you get busier and busier. Then your customers, employees, and company demand all your time. You have no life away from work. You get consumed doing the wrong things. And you work too hard for the money you actually make. But your business still grows because of your intense efforts, causing you to work even more and enjoying it even less. Finally, at a crossroads, you start thinking maybe **bigger is not better**.

Your company isn't working for you; you are working for your company. Perhaps you've been there and realized that **different is better!**

But how do you build a different, more effective business? You try to work differently, but you can't change. So you continue to do things the same old way. When I wanted to fix my business I tried everything, including reading trade magazines, attending seminars, getting active in industry associations, hiring coaches and consultants, listening to tapes, and reading books. Eventually, by trial and error, through all these new ideas and a lot of grief, I discovered a step-by-step Business \$uccess Blueprint to build an organized and systemized business that works for me, and can also work for you.

## Step by Step

Most business owners start by trying to fix what's broken or do what's urgently needed. Business owners often e-mail me to ask for advice on how to improve their business. They ask: "Should I hire an office manager?" "How can I get my field crews to be more productive?" "How much profit should I make?" "What kind of marketing works best?" "How often should I take my best customer to lunch?" "What's the best way to compensate my employees for a job well done?" "What accounting software should I buy?"

While all of these are good questions, I can't answer them properly unless I understand what the business owners are ultimately trying to accomplish. Do they want a quick fix or do they want their businesses to grow? Are they trying to build for the future or just put out a fire? Are they looking for a quick fix or a long-term solution?

## As a business owner, you have a clear choice:

### Stay stuck or invest in your future.

When your business starts to grow, you can't handle all the customer orders alone, so you need to hire some good help. But because you're too busy to take the time to interview, screen, and hire the right people, your tendency is to hire anyone you can find, figuring you can train them later. So you hire the wrong people, put them to work without training, and expect perfect results.

To guarantee excellent results, you need to **create organizational systems** so your people can do excellent work the way you want it done on a consistent basis. Great people are an asset. But if each of your employees does things his or her own way, your product or service will not be consistent. You will end up with a business that is disorganized and out of your control. This will deliver poor bottom-line results *and* will cause you to be stressed out about hiring more people.

### People are not your problem!

**It's the lack of systems and training that causes good people to do poor work.**

Karen owns a successful, growing marketing and public relations company with five employees. Her business has grown to the point where she needs an office manager to help with all the administrative duties and to run the office. She e-mailed me and asked if it was better to hire a young, inexperienced but enthusiastic secretary or an experienced, qualified office manager who had worked at an advertising agency for ten years. The younger applicant was eager to learn and would save Karen \$20,000 per year in salary.

The tendency for most entrepreneurs is to hire cheap and figure you can train them in your spare time. But ask yourself this: ***How much spare time do you actually have?*** When you are already overloaded and your company doesn't have written systems and procedures in place, hiring inexperienced employees only makes your job more difficult. You have to do your job *plus* continually show employees how to do theirs. This

takes away from your top priorities, making you less productive. Hiring an experienced professional will free you up to do the tasks that give you the biggest return on your time. In addition, a pro will be able to organize and systemize your operations for you. I told Karen to hire the best applicant she could find: bite the bullet, pay the higher price, and free up her time to work with customers and increase her revenue. She took my advice, and eight weeks later she called to thank me. The new office manager had reorganized her files, helped install a new management software package, standardized the paperwork flow for all projects, and implemented a human resources and personnel program.

## Build a Better Business

When I started the process of building a better business, there was so much to fix. I didn't know where to start, and I didn't have the time to do what I knew had to be done to get my company moving toward producing consistent results on every project, with every customer, with all of our employees and managers. I finally decided to dedicate four hours per week to the task. **My business was so out of control, I figured it would probably take five years to get it on track.** But, much to my surprise, as I started to install operational systems, everything fell into place quickly and we were able to improve much faster than anticipated. We made fewer mistakes and had fewer emergencies, and as a result I found more time to work on the important issues, seek better customers, and look for more profitable opportunities.

It's important to follow the Business \$uccess Blueprint. When you just try to put a Band-Aid on problems, your progress will stop. For example, I often hear business owners say: "I need to hire a good manager or salesperson." Hiring a good manager or salesperson is a great idea—once you have excellent management systems in place, including accurate pricing systems to determine the actual costs of your overhead, production, service, and products. It's a simple process of cause and effect. If you hire a salesperson who brings in lots of new business, but you don't have trained employees, organizational systems, or management controls in place, how can you make money? You'll drown in your efforts to meet the increased

demands and stress on your company. You can't grow profitably by jumping ahead of your company's ability to perform. Take things one step at a time and you'll reach your long-term goals faster. Think before you hire a salesperson. You need to get your finances and operational management systems in order first. Then you'll be ready for profitable growth.

## What's Your HUGE Business Vision?

Now let's get specific about your vision and its accompanying targets and goals. Part 2 of your Business-Builder Blueprint is your overarching vision. What do you want your business to become and do in the next one, three, five, and ten years? Think about precise targets and results you want to shoot for and achieve. What's your vision for a perfect business? Think about things like how you will do business, the perfect size of your company, the type of customers, where you will do business, the number of employees, how you will generate revenue, what your company will be known for, how much money you want to generate, the wealth and assets you want to acquire, and what your role as the owner will be. Think **HUGE** and be specific.

Get started now by brainstorming as many dreams you have about your future. ***Don't hold back.*** If you want to make \$1 million per year net income or have a \$10 million net worth in ten years, *write that down.* Perhaps you want to be the leading company in your market, or the largest supplier, or have ten loyal customers who give you all their work, or become the recognized expert in your market who charges the most. Maybe you want your company to have five locations run by a general manager who manages the day-to-day operations, allowing you to work on your investments four days a week. Or perhaps you love working with customers and want to continue to be the chief salesperson and have someone else run your company operations. The choice is yours. After all, it's your company!

Using your dreams and thoughts identified above, it's now time to write out and draft your **Business-Builder Vision Statement**. To give you some more ideas, take a look at the Business-Builder Vision Statement I drafted

for my company when we made a strategic decision to transition from general contractor to an On-Purpose . . . On-Target business.

### **My HUGE Business-Builder Vision Statement**

Within the next five years, we will transform our company into a major full-service and full-value commercial construction and development company.

As a general contractor, we will pride ourselves on meeting our customers' goals and make every project a success! Every year we will build ten to fifteen projects, generate \$40 to \$50 million in annual sales, and make at least \$1,000,000 in pre-tax net profit.

We will specialize in building great projects for a small, exclusive group of loyal customers who demand trust, integrity, expertise, value, and terrific service. Our customer targets will include privately held corporations and professional developers, with an annual goal of 80 percent loyal repeat customers and 20 percent new.

Our project types will include: office, industrial, manufacturing, and warehouse buildings throughout Southern California. Our average project will be \$6 million, and the minimum we will accept for a project is \$2 million. We will negotiate 80 percent of our contracts.

We will be known for providing the best personal, professional, and knowledgeable construction services available. We will be known for our "full service" management system, competitive prices, great subcontractor relations, and accurate cost estimating. We will be known as a financially strong, fiscally responsible, systemized, organized, in-control company with cutting-edge technology.

We will also participate in the construction and ownership of at least two real estate development projects annually of at least 50,000 square feet each.

Our company will be completely run by the executive management team. My role as owner will be to provide leadership, inspiration, direction, and motivation; set the targets and goals; keep employees focused on achieving the results we want; seek new business opportunities; stay active in the community; and not get involved in the day-to-day business or management activities.

Now it's your turn to draft your HUGE Business-Builder Vision Statement to describe how you envision your company in the future. You can download Business-Builder Worksheet #5 to help you get started writing out your vision statement.

## **Put Your Dreams Into Action**

Now that you have defined and drafted your vision and purpose for owning your business, you can start to turn it into a working action plan. Start thinking about what specific targets you must meet to make your purpose and vision become a reality. Dreaming about your future is exciting. If you can grow 15 percent per year, your company will double in five years. If you can grow 20 percent per year, your company will double in four years. And if you can grow 25 percent per year, your company will double in only three years. But in order to keep pace with your growing company, you will need clear written plans about your infrastructure, operations, working capital, people, systems, customers, financial management, vendors, and your own role.

So if one of your top goals is to grow your company 20 percent per year, you may choose to create a Business-Builder Target like this: *Seek ten loyal customers within five years who will generate at least \$1 million each in annual sales at a gross profit margin of 15 percent.* Another target you might want to achieve is to have a management team who'll run your company for you. A Business-Builder Target could then be: *Within two years, have in place a complete management team, including a general*

*manager, operations manager, office manager, accounting manager, and business development manager.* Think about what targets you want to achieve over the next several years. Some will be immediate needs, and others will be things you want to accomplish over five or ten years. Be specific about the things that will make your dreams come true.

Be brutally honest with yourself. To grow your business and make more profit so you can enjoy some free time, what will you have to do differently? Brainstorm the top twenty or thirty targets you need to hit, then rank them in order of priority. Be sure to include targets in each of these areas:

## **Business-Builder Worksheet #6**

### **My Business-Builder Targets and Goals**

| <b>Specific Targets and Goals</b>      | <b>Actions</b> | <b>Deadline</b> |
|--|----------------|-----------------|
| <b>Personal</b>                        |                |                 |
| <b>Business</b>                        |                |                 |
| <b>Financial</b>                       |                |                 |
| <b>Operations</b>                      |                |                 |
| <b>Customers, Marketing, and Sales</b> |                |                 |
| <b>People and Leadership</b>           |                |                 |
| <b>Equity and Wealth</b>               |                |                 |
| <b>Freedom and Fun</b>                 |                |                 |



## Put Your Plan Into Action!

After you have identified your Business-Builder Targets and Goals, think about what actions you need to take to achieve them.

### Some actions you might need to take soon:

- hire a general manager
- hire a professional accounting manager
- install a fully integrated accounting software package
- get a handle on your production costs
- improve your product pricing accuracy
- find a new bank with a generous line of credit

### Some actions you might need to take over the next year:

- install a least fifty written operational systems and procedures
- implement a written marketing and sales plan
- sell some of your underutilized equipment
- create a better way to serve your customers
- find an excellent project manager
- seek additional capital to grow your business

### Some actions you might need to take over the next several years:

- start an employee training program
- install a customer follow-up and referral system
- create a loyal customer relationship-building system
- find a way to differentiate your services from your competition
- start an open-book incentive compensation program for all
- seek wealth-building opportunities or investments
- take more time off

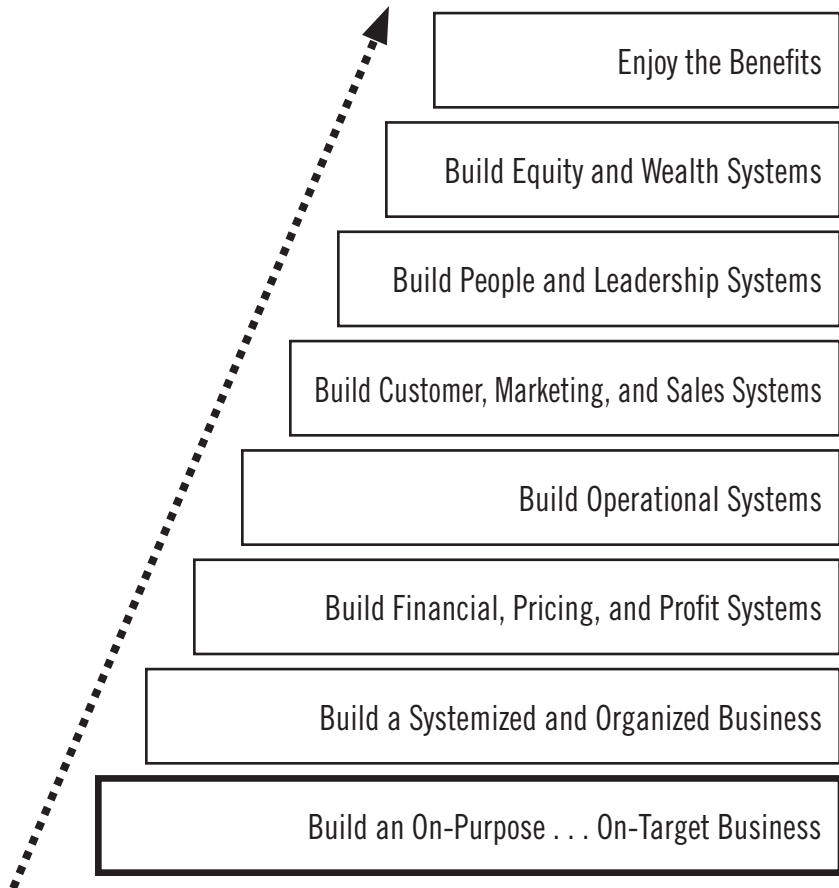
***What action plans are necessary to achieve your short- and long-term business goals?***

## Putting It All Together

Now that you've done all the work to lay out and draft your future business plans, you want to shorten it to one or two pages. This will be your **Business-Builder Blueprint** as you manage your pressing activities and decide what you should do first every day and every week. Review your business purpose, vision, targets, and action plans often to help yourself stay on track.

---

### The Business \$uccess Blueprint



## 7 Steps to Earning More, Working Less, and Living the Life You Want!

*As you read through this book, you'll learn how to implement the basic seven-step blueprint for improving and structuring your business so that it works for you, allowing you to earn more money, work less, and live the life you want.*

### **1. Build an On-Purpose . . . On-Target Business!**

Determine what you want, establish a clear vision, and set On-Purpose . . . On-Target goals that are aligned with your vision and values. Identify what you want in the areas of profit, finances, customers, employees, market, service, quality, wealth, and freedom. Write goals, create action plans, and install tracking systems to make your business and personal targets become a reality.

### **2. Build a Systemized and Organized Business!**

Replace yourself with operational and organizational systems. This will get everyone in your company doing things the same way, producing consistent results without your constant supervision and attention. Identify the systems you need and then use the seven steps to create and install systems.

### **3. Build Financial, Pricing, and Profit Systems!**

Develop a profitable business model to give you a financial return for the risk you take. Implement the guaranteed formula to always make a profit. Calculate and track progress toward your required sales volume, break-even point, overhead, fixed cost of doing business, and profit markup to reach your goals. Install action plans to price, track, and achieve your overhead and profit goals. A fully integrated accounting system with income statements, balance sheets, job cost reporting, cash-flow projections, accounts receivable, and payables aging are required. Install financial controls to ensure accuracy and accountability. Install job cost and account tracking systems to help you determine what things really cost. Track your

profitable projects to determine which products, services, contracts, and customers make you the most money.

#### **4. Build Operational Systems!**

Sound management and operations begin with a clear set of company guidelines specifying how you want to do business. Start by listing the things you want done perfectly and consistently by your entire management team, then make them accountable for getting results. Operational, administration, and production excellence starts with complete systems to ensure on-budget projects, excellent service, quality workmanship, on-time completion, and a safe workplace. The systems will guarantee that every team member produces the same end result.

#### **5. Build Customer, Marketing, and Sales Systems!**

Excellent systems to find, keep, and service customers will maximize your bottom-line by selecting the best opportunities available for your company. Create an ongoing marketing and sales program to build loyal repeat customers. Set yourself apart from your competition, find your niche market, create strong customer relationships, and seek value-added opportunities to offer your customers.

#### **6. Build People and Leadership Systems!**

Transform your job from manager to leader by implementing people and leadership systems. Change your role from hands-on controller and doer to coach and leader. This includes setting goals, motivating, inspiring, encouraging, creating a vision, seeking new opportunities, and anything else that is necessary for leading your company. Hiring and keeping good people starts with crafting a great place to work that attracts and retains the best people available. Install an employee development and training program to motivate, recognize, appreciate, and train accountable and responsible employees and teams.

#### **7. Build Equity and Wealth Systems!**

Leverage your success by seeking other business opportunities, partnerships, and ventures that will build equity, create wealth, and provide

positive passive cash-flow. Use your profitable business as a stepping stone into other businesses, strategic alliances, joint ventures, and investments, such as real estate, exclusive distribution agreements, rental companies, or any additional services that complement what your company already does.

Once all this is done, you can enjoy the benefits of owning a business that works for you and gives you the freedom to pursue whatever you want to do with all your free time, energy, and money. Give back to your community, family, friends, or faith with your business success.

## PUT ON YOUR HARD HAT!



Now's the time to get started building a business that works for you. Put on your hard hat, strap on your tool belt, and get ready to make your dreams a reality. Only you know what you want your business to do for you. Only you are holding it back from being what it can become. Take a look at where you are today, decide where you want to be in five or ten years, and then determine what steps you need to take to get there. Start now by taking the first step to get out of your uncomfortable zone. Let me know your progress! E-mail me your questions, challenges, and success stories. (You'll find my contact information at the end of the book.) It's an exciting journey. And the end result will give you what you want: ***Your business will work!***  
**You will earn more, work less, and enjoy the life you want!**

## Step 1: Build an “On-Purpose . . . On-Target” Business!

### **Business-Builder Action Plans**

1. Describe your perfect business. (Worksheet #1)
2. Identify what you want your business to do for you. (Worksheet #2)
3. Define what you want your role to be. (Worksheet #3)
4. Write your Business-Builder Purpose Statement. (Worksheet #4)
5. Write your HUGE Business-Builder Vision Statement. (Worksheet #5)
6. Identify your Business-Builder Targets and Goals. (Worksheet #6)

To download the Business-Builder Worksheets, visit:

**[GetYourBusinessToWork.com/book](http://GetYourBusinessToWork.com/book)**