

PEOPLE: the Forgotten Pillar of Business

“Running your own business is tough these days.” If I had \$10 for every time I’ve heard that, I could take a long and lavish holiday somewhere in paradise.

Truth is, it’s no tougher running a business today than on any other day in history. Ok, maybe the Great Depression is an exception.

Listen to the men and women who have retired from running their own business and you will hear just two versions... *“It was tough in those days!”* or *“Ah, the good old days!”* When you retire, which group will you be in!

If the sales are sluggish, the marketing strategy is ho-hum and someone dragging their feet grates on you more than it should, what can you do? Here’s a tip: don’t cut your profits by having a sale.

Every business is built on just 3 pillars – Products, Processes & People. Any activity or element of your business will fall under one or more of those 3 pillars.

The service or tangible ‘something’ you sell is in your ‘Products’ pillar. Every business activity designed to turn that product or service into a sale is a part of your ‘Processes’ pillar.

Your Products and Processes can be 100% copied. Take the popular, big name fast food hamburger outlets for example; their products and their systems are pretty much the same – several similar hamburgers delivered by almost identical processes.

Consider this... the big players don’t compete with each other on price. They just keep advertising their products and ignore their competitors. However, chances are, you don’t have the same marketing budget as they do, right? So, how do you slice up the market with your competitors?

Mistakenly, most businesses try to compete by offering lower prices or giving more “added value” giveaways. Whilst that might sound like a plan, the only real winner is the customer.

For the business owner, whilst you might increase your cashflow, you do so at the expense of your profit. Yes, pricing flexibility and added value services are options; but if they are all you have, eventually you will cut your profit margin to a razor’s edge, or worse.

There is, however, a far more powerful option... PEOPLE!

The 3rd Pillar of Business – People (employees) – is the one element of your business that is not so easily copied. Your employees can make or break your business. Which way the axe falls is dependent on you, the business owner.

The team culture (flavour, tone, or attitude) you have in your business starts with you. Manage it well and it will make your business stronger. On the other hand, ambivalence will eventually bite where it hurts most... the bottom line.

The people in your business are your greatest asset, not to mention (most often) your most significant cost centre. It makes sense to invest wisely in your people.

Training, team-building, coaching and career development for your employees are essential ingredients to the success of your business. It's also necessary for you to be actively "hands-on" in this regard. If you aren't sure how to go about it, then get help!

More and more business owners are engaging a Business or Executive Coach to help them do the things they haven't yet learned how to do themselves. Why?

Most of us start a business because we are passionate about a certain product or service. Of course, we accept that we don't know how to do everything by ourselves; that's why we pay a book-keeper to do our paperwork, an accountant to do our tax and a solicitor to help us with all things legal.

What about managing, motivating and getting the best out of our people? Do we really think that this management skill will simply come naturally? The fact is, for many in business, it is something which is given little thought at all.

Have you ever flown with Virgin Blue? Do you notice how well their employees communicate and interact with you and the other customers? This service standard doesn't happen by accident! It is a deliberate characteristic that is planned, trained, managed and constantly improved.

So, if *"running YOUR own business is tough these days"*; first take an objective look at the people in your organization. Talk to them, ask them for ideas and, if need be, get some outside help to guide you on the "how-to".

In future articles, I'll give you some practical "how-to" tips and provide many real business examples for you to implement in your business.

Have a brilliant day!

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