



*ENTREPRENEUR
MANUAL*

EastTrac® GrowthVenture™



*MAXIMIZING THE
GROWTH POTENTIAL
OF YOUR BUSINESS*



Ewing Marion
KAUFFMAN
Foundation

FastTrac[®] GrowthVenture[™]

ENTREPRENEUR MANUAL

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GROWTH POTENTIAL
OF YOUR BUSINESS



TAKE CHARGE OF YOUR BUSINESS[®]

A program of the Kauffman Foundation of Kansas City

Ewing Marion
KAUFFMAN
Foundation



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On a bitterly cold day in January 1993, Ewing Marion Kauffman scheduled to launch a new program for entrepreneurs called FastTrac®. Kauffman was legendary in Kansas City because his company, Marion Merrell Dow, provided more than 3,000 high-paying jobs, he was the owner of the Kansas City Royals baseball team, and through his foundation, he helped families in disadvantaged areas get an education—even paying for college for many.

On that same morning, however, nature decided to dump on Kansas City one of the worst snowstorms in its history. Kauffman's staff debated whether to cancel the event, since people were being asked to stay off the roads, and Kauffman was extremely ill. He wanted to hold the event just in case someone did go to the trouble to get there. That day, 900 people showed up. Yes, some came because it was sponsored by "Mr. K" as he was affectionately called; but most came because they had a hunger to learn how to start and grow a business. They wanted to invest in themselves even if that meant braving the storm.

That Kansas City FastTrac® kickoff was one of the last public appearances for Kauffman, who passed away later that year at the age of 76. He was grateful for the opportunity to build a company and to share his abundance with others. He loved entrepreneurs and all they stood for—self-reliance, innovation, hard work, and providing good paying jobs and benefits. He was proud that his foundation was championing entrepreneurship.

It was my privilege to be hired in 1994 to oversee the development of FastTrac®. Today, all over the world people are participating in the various FastTrac® programs. Some are just thinking of going into business, some want to learn how to grow their business, some want to build networks, find coaches, and learn about additional resources for themselves.

The Ewing Marion Kauffman Foundation is proud to have played some small part in the decision-making process, skill development, and network building of hundreds of thousands of people engaged in the entrepreneurial process.

Judith Cone, Vice President
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Ewing Marion Kauffman Foundation

Ewing Marion Kauffman

The late entrepreneur and philanthropist Ewing Kauffman established the Ewing Marion Kauffman Foundation as the first foundation to focus on entrepreneurship as one of its primary areas of interest.

There is more to Ewing Kauffman's beneficence than his fortune. He had an instinct for the future. He understood how to bring organizations to life to be productive and vital. Above all, he had a zest for life and a social awareness that was grounded in his belief in people. The Kauffman Foundation of Kansas City develops and advances innovative ideas that set the groundwork for institutional change, advance entrepreneurship in America, and improve the academic achievement of children and youth.

From modest beginnings, Kauffman grew Marion Laboratories into a billion dollar pharmaceutical giant and established the Kansas City Royals, bringing major league baseball back to Kansas City. With his business succeeding beyond his wildest dreams, Kauffman turned his vigor, intellect, and wealth to a new style of philanthropy. He lost patience with charity work that never seemed to attack the core problem it sought to remedy. He wanted to dig deep and get at the roots of issues rather than talk about addressing the symptoms. Undaunted by the size of the challenge or the lack of resources, Kauffman encouraged his staff to become immersed in research, consult with the best minds, and devise bold approaches to address complex social problems. He told friends he was having more fun giving money away than he had earning it. He told associates he expected his foundation to be exemplary.

An epitome of American entrepreneurship, Kauffman saw business enterprise as one of the most effective ways to unleash human potential and stir the economy to life. He viewed entrepreneurship as the most powerful strategy to help individuals gain economic independence and serve as a catalyst for creating jobs and wealth in society. Today the Kauffman Foundation is devoted to advancing entrepreneurship as one of the fundamental aspects of life in the United States. Focusing on research, education, technical assistance, and policy, we work to increase the number and success rate of individuals engaged in the process of starting or growing their own business or idea. We work with partners to design programs based on the proven principles, techniques, and leadership tactics that make starting and growing a business a more common choice for Americans of all walks of life.

The Kauffman Foundation's FastTrac® programs are part of a wide range of resources developed in collaboration with hundreds of successful entrepreneurs who have shared their knowledge, insights, and stories so that others might learn from them. We hope that all entrepreneurs will find them useful as they work to write their own entrepreneurial success stories.





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Introduction

Every day you make countless decisions and take action as a routine part of running your business. Indeed, being able to juggle the day-to-day work while keeping an eye on the future is part of the fabric of entrepreneurship. By participating in FastTrac® GrowthVenture™ you'll have the opportunity to take a step back, look at the big picture, and work *on* your business, not just *in* your business.

Through this program, you can strengthen your ability to make critical decisions and equip yourself with the knowledge and skills needed to improve the performance of your business. With FastTrac® GrowthVenture™, you'll create a framework to determine the best way for you to grow your business. The primary objectives are to enable you to effectively evaluate and improve your:

- Overall business strategy and vision for the future.
- Ability to maintain a competitive advantage in the marketplace.
- Changing role in managing the business.
- Readiness for growth and profitability potential.
- Focus and alignment of all aspects of the business.

Written by entrepreneurs for entrepreneurs, FastTrac® GrowthVenture™ offers essential business information to build on your existing knowledge and expand the skills you need to grow a sustainable business. FastTrac® offers non-traditional, experiential learning with hands-on coaching sessions. Opportunities to network and learn from your peers as well as your facilitator, business coach, and guest speakers—seasoned entrepreneurs and professionals who work with entrepreneurs—are a key part of the experience.

You will be challenged to think critically about your business, practice decision-making skills, and ensure all aspects of your business are aligned for long-term sustainability and growth. Through readings and research, activities and action steps, you will plan and analyze your entrepreneurial vision as you create a thoroughly researched and tested plan for growth.

FastTrac® GrowthVenture™ is divided into two parts: Setting Direction and Taking Action.

Setting Direction

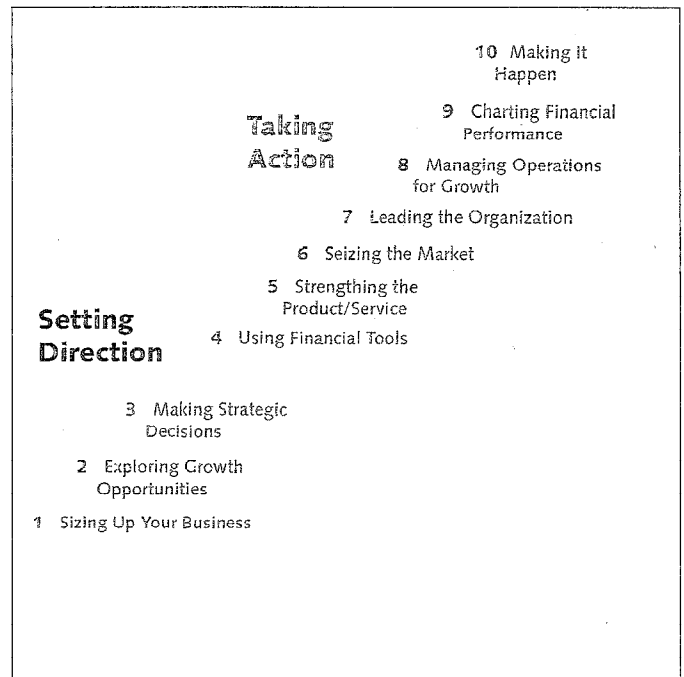
The first three modules focus on analyzing your current business situation and deciding on a strategic direction for your business.

Each of these three modules explores a key element of successful entrepreneurship:

Vision and Goals – What do you want your business to be like in the future? What are your goals for yourself and for your business?

Market Opportunities – How do you research the market opportunities that are a good fit your business? How do you evaluate the best opportunities?

Strategy – How are you going to achieve your goals? What opportunities will you pursue? How will you compete in the marketplace?





The first step is to analyze your current business situation—your strengths and weaknesses, opportunities and threats. You will also determine your core competencies—those skills and tasks at which you excel that are most valued by the customer.

Your vision articulates what you want your business to become. It captures what is important to you as it paints a picture of the future. This vision becomes the basis for setting goals you want your business to accomplish as well as specific goals you want to complete through this program.

An important part of determining how to improve your business is determining your readiness for growth and conducting market research. You will identify the information you need and the best way to gather the information. This is valuable in identifying potential opportunities and evaluating them.

The results of your research will provide critical information as you make decisions about your strategic direction. By matching your best opportunities with your vision and goals, you can develop a well thought-out strategy to guide your business.

Taking Action

The last seven modules will guide you as you evaluate each major aspect of your business. You will take apart your business, analyze the pieces, and put it back together to create the alignment needed to support your vision and strategic direction. With each module, you will plan what to keep, what to change, and the actions to take to improve your business performance.

In FastTrac® GrowthVenture™, the business planning process helps you map your path for growth, your strategy, the resources you will need, and who will be on your team. Business planning is more than just writing a business plan—it's about researching and thinking through the different aspects of your business and how they fit together.

You'll build your plan one section at a time by conducting the necessary research and answering relevant questions for each action step. Observing due dates for action steps will provide you with a workable timeframe for completing the plan during the program.

Your plan will contain several sections, including a Management and Organization Plan, Product/Service Plan, a Marketing Plan, an Operations Plan, and a Financial Plan. These sections will be completed progressively throughout the program. After collecting and analyzing information for your specific business, you will complete the action steps in each module to compile that section of the plan. Electronic templates streamline this process by providing questions to answer in a pre-formatted Word or Excel® template.



Whether you decide to complete a formal written business plan or simply draft an internal working business plan that lists your goals, strategies, and the actions to accomplish them depends on the purpose of your plan. Business plans that will be used for external purposes generally should be formal. Your business plan may have the following uses:

Personal Uses for a Business Plan	Internal Uses for a Business Plan	External Uses for a Business Plan
<ul style="list-style-type: none"> • Analyze the business and determine its best path for growth • Deepen your understanding of the business • Convince yourself and others that you know what you are doing 	<ul style="list-style-type: none"> • Address specific business challenges • Ensure alignment of all aspects of the business • Clarify goals of the business • Develop an effective marketing strategy • Identify back-up suppliers • Forecast profits accurately • Determine the amount of money needed to grow the business • Guide decision making • Communicate with the management team 	<ul style="list-style-type: none"> • Communicate goals to external parties • Negotiate deals with suppliers • Recruit employees • Raise funds necessary to grow the business • Solicit suggestions from mentors and advisers

The end result of the planning process is not merely a written business plan. Instead, the end result is the realization of this plan. That's why the final module is designed to ensure your business gets going and gets growing.

Program Components

FastTrac® GrowthVenture™ provides a wealth of resources and materials. The FastTrac® sessions, Entrepreneur Manual, and online FastTrac® Toolkit work together to help you sharpen your entrepreneurial skills and grow your business.

FastTrac® Sessions

At each FastTrac® session, you will discuss key concepts, practice, and apply them to your business. You will learn from your peers as well as your facilitator and business coach. Guest speakers, including experienced entrepreneurs and professionals such as attorneys, bankers, and accountants, will share tips and helpful information with you.

Networking is a valuable component of this program. Most successful entrepreneurs have a group of supporters who help them throughout the growth stages. Few entrepreneurs achieve success without building a support network. You will have many opportunities during this program to meet and talk with entrepreneurs from your community.

During the session, group activities will reinforce business planning concepts. At each session, hands-on coaching will get you started on the actions steps needed to analyze your business, develop your strategy, and implement it.



Entrepreneur Manual

The Entrepreneur Manual includes ten modules that guide you in setting direction and taking action. Be sure to complete every action step—they are the critical path to creating a plan for your business that outlines your vision, strategy, and the actions you will implement to achieve the performance and growth you are seeking.

As you read each module, you will notice questions and checklists to help you apply the key concepts directly to your business. A pencil icon will cue you that it's time to write down your thoughts. Answering the questions and completing the checklists will help focus your thinking and provide a reference point for information you will want to include in the action steps at the end of the module. Doing this while you are reading the module will save you time later when you are working on your action steps.

Activities in the Entrepreneur Manual appear directly after the module summary and should be saved to complete during the sessions. The activities allow you to practice and apply new concepts to scenarios and your own business. Action steps appear after the activities but are introduced in facilitation or coaching sessions and will be finished between sessions.

It's important to document the plans you have for your business with the action steps. A plan that is only in your head can create a number of problems. The writing process is a thinking process. If you skip this step, you will skip a thinking step that helps ensure that all the parts of your business fit together.

To create a formal business plan, you will want to use complete sentences and organized paragraphs when working on the action steps that use the Business Plan Template. If you don't need a formal business plan, you may prefer using bullet points and notes as you plan for growth.

FastTrac® Toolkit

To access the FastTrac® Toolkit, go to www.fasttrac.org/toolkits and click on FastTrac® GrowthVenture™. The Toolkit houses the business planning templates, actions steps, activities, video and audio clips, and More Info Resources.

The Toolkit has folders for the ten modules plus one that contains the templates, sample plans, and glossary. This folder includes a Word-based Business Plan Template to create the Business Plan as well as record planning information and completed action steps. The Financial Template is an easy-to-use Excel-based template that will streamline your financial projections.

In each module folder, you will find additional resources as well as action steps and activities that appear in the Entrepreneur Manual. The More Info Resources lists of Web sites, books, and other sources of information are just one more way to develop your entrepreneurial skills.

Your Role

You will gain the most from the FastTrac® GrowthVenture™ program when you take an active role. Read the module before and complete the action steps after each session. To be successful, conduct the recommended research and analysis as you develop your strategy to grow your business and plan to implement it. Participate in group discussions, coaching sessions, and networking opportunities with one another, staff, and guest speakers. Get the most you can out of this program to make the most of your business.

Sizing Up Your Business

If you're like most entrepreneurs, you're constantly barraged with information, decisions, and opportunities and, when you have time to think about it, you may wonder whether your business is achieving its potential. What's the best way to grow your business? Without a crystal ball to predict what will work and what won't, you will want to invest the time to analyze your current business situation and define your vision and goals. With a clear view of your business today and an eye on the future, you will be on your way to realizing your entrepreneurial vision.

This module will guide you through some key questions about your business. Your responses to questions in this and subsequent modules will create a framework to help you improve the performance of your business and guide its growth. As you sharpen your skills in strategic thinking and decision making, you will be making fact-based decisions rather than guesses, and you will learn to push your business beyond the status quo, answering the strategic question, "Is my business doing the right things?"

Key Questions

- How is my business doing today?
- What are my vision and goals for the future?

Action Steps

- 1.1 Conduct a SWOT Analysis
- 1.2 Define My Three-Year Vision
- 1.3 Identify Goals for My Business and the FastTrac® Program
- Read Module 2 Exploring Market Opportunities
- _____
- _____
- _____

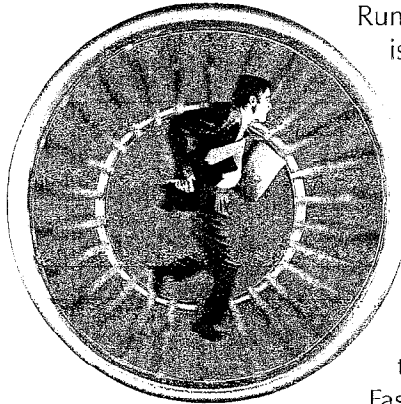
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It's Your Decision

Entrepreneurs who want to grow their business may feel like Alice in Lewis Carroll's *Through the Looking Glass* when she is running with the Red Queen. Alice finds that no matter how hard she runs, nothing changes, and she gets nowhere. The queen explains, "It takes all the running you can do, to keep in the same place. If you want to get somewhere else, you must run at least twice as fast as that!"



Running faster and faster just to stay in the same place—the Red Queen paradox—is typical of entrepreneurs who have not planned their growth. They must work harder to keep the same position in the market. They want to move forward but have not figured out how to do so. Simply doing more of the same thing is usually not the answer.

Like many entrepreneurs, you may have started with a do-it-yourself approach, making decisions based on your intuition. Unfortunately, this type of approach can only take you so far. To really grow your business and create an entity that supports your ultimate goals, you'll need to be more strategic. Sound decision making will be a key to your success, and your business will really excel when those decisions fit together to create a well-thought out business strategy. The FastTrac® GrowthVenture™ program is designed to improve your ability to view your business from a strategic perspective and make these critical decisions. You'll be better equipped to understand what your options are—then it's your decision.

You may have a specific reason for taking this program or you may have a general sense that your business results could be improved. Listing your key issues or concerns will help you start identifying what changes need to happen. Whether or not you are losing sleep over these issues, take the time to write them down. These concerns will be a focal point as you consider how to begin the planning process to improve your business.



What Keeps You Up at Night?

List three to five key issues or potential concerns you have for your business. Put a ★ by the ones you want to address during the FastTrac® program.



Gearing Up for Growth

Nancy Rodriguez knew her research and development firm had more potential, but initially was not certain how to proceed. Based in Oak Park, Illinois, Food Marketing Support Services® (FMSS) develops new products for retailers and foodservice companies, and over the years the company has built an impressive list of clients including Quaker Oats, McCormick®, and Keebler®. Yet in 2003, a nagging question formed in the back of Rodriguez's mind: Why wasn't FMSS growing? "We had a great credit record and always paid bills promptly, but there didn't seem to be money left over to invest in the company's future," Rodriguez explains.

In response, Rodriguez sequestered her management team in a hotel for two days to develop their mission and vision. They also conducted a SWOT (strengths, weaknesses, opportunities and threats) analysis.

Those exercises gave Rodriguez insights on how to approach new clients and expand business with existing ones. "Our industry is very competitive, so understanding our core competencies versus our capabilities helped me understand which companies would appreciate our expertise—and be willing to pay for it," she explains. "That way, chasing new business doesn't become a bidding war." Rodriguez and her staff also recognized that FMSS's selling cycle has lengthened in recent years, which makes it critical to target the right prospects.

Rodriguez has made a number of changes to achieve her growth goals, which include expanding annual revenue from \$2 to \$10 million and beefing up profits. New tactics include:

- Creating a strategic marketing campaign and corporate identity. In the past, FMSS relied on referrals to generate new business.
- Trademarking certain services to further distinguish FMSS from competitors.
- Educating staff about financials and holding monthly profitability meetings to review project bids against ongoing progress and final results.

Instrumental to these financial reviews is a new accounting system which FMSS installed in early 2004. This off-the-shelf program has enabled richer, more accurate information gathering that wasn't possible under the company's previous proprietary system.

"We had project-specific account information before, but not the level of detail we do now," Rodriguez explains. "What's more, our old program wasn't responsive enough for me to compare past projects with new ones and build accurate profit margins into bids. That resulted in a false sense of costs, which was eroding our profit. For example, I thought our overhead was 20 percent, but the new system revealed it was actually 26 percent."

Instead of strictly operating on intuition, Rodriguez is now able to make fact-based decisions as well. "I can see how much profit we're going to make, which frees me to plan—instead of just react," she explains.

By early 2005, Rodriguez was already seeing significant results: In the first quarter, the company's net income was up 28 percent and overhead had been sliced by nearly 10 percent from the previous quarter. The improved financial scenario will enable Rodriguez to expand her staff and move the company to a larger building.

"A lot of this is about letting go and letting other people take over," Rodriguez adds, explaining that only she and her business manager used to discuss the company's financial performance. Today, by sharing growth objectives and assessing profitability with staff, there's far more internal accountability. "It's a huge relief," Rodriguez says. "I feel like achieving our goals is a shared responsibility now."



Planning to Grow

Identifying key issues provides useful information as you begin to analyze your business. As you complete this module and work on the actions steps, you will take an in-depth look at how your business is doing today and use the insights you gain to clarify your vision and set goals for your business.

FastTrac® Planning Process

Key Issues
SWOT Analysis
Core Competencies
Growth Opportunities
Competitive Advantage

Clarify Vision
Set Goals
Determine Business Strategy
Align All Aspects of Business
- Product/Service
- Marketing
- Management and Organization
- Operations
- Financials

When Rodriguez decided to make some changes in her business, she worked with her management team to analyze the business situation before they determined how to address the key issues. Getting your team involved in the process typically results in a stronger strategy and a plan that everyone is committed to achieving.

The planning process is like putting a puzzle together. All of the pieces—product or service, marketing, management, operations, and financials—need to fit together so that your business will create the results you

are seeking. You need to make sure all efforts are aligned with your vision and strategy because a decision in one area often has implications for other aspects of your business.

TIP Entrepreneurs need to understand strategic alternatives, analyze the available facts, make decisions, and act on them. The survival and growth of your business will depend on your ability to make decisions, prioritize work, build a cohesive team, and forge trusting relationships.

Too often, entrepreneurs spend the majority of their time figuring out their vision and goals without carefully thinking through the details of implementation. It's critical that you anticipate the activities your business will need to stop, start, or continue doing. At the same time, you will have tough questions to answer. How will your business make this transition? What is the timeline? Who in your company will do what? How will you measure performance?

The decisions you make will help ensure that all aspects of your business are aligned and should drive your daily activities.

The first step is determining where you are and where you want your roadmap to take you. This module focuses on the following:

- Defining success, growth, and values for you and your business
- Analyzing your business
- Clarifying your vision
- Setting goals

Defining Success and Desired Growth

Before you begin evaluating your business, you will find it helpful to define your concepts of success, growth, and core values. This information forms a foundation on which you can make decisions to create long-term growth.

What Does Success Mean to You?

You are committed to making your business a success. What does that mean? If you take the time to examine what you actually want to achieve and choose your own definition of success, you will be more satisfied with your business in the long run.

Don't let other people define your goals for you. Your business will be a success if it helps you reach your personal, professional, and financial goals. Different entrepreneurs define success in different ways. For the serial entrepreneur, it may be the adrenaline of finding a new opportunity and being able to launch another business. For others, success may mean achieving financial targets to live the life they want. Examples range



from achieving autonomy, innovation, and fun to influence and social benefits. Other people may try to define success for you, but why let them?

As you think about your goals, don't forget to consider how you want to exit your business. Will you want to sell it to start another business? Fund your retirement? Or do you just want to keep doing what you love until the end of your years? By knowing how you want to leave your business, you can follow a thoughtful exit strategy to achieve what you want.

Your definition of success should serve as a filter for the decisions you make. A clear definition of success will help you know when you achieve it. Answer the following questions to start thinking about what success means to you.

TIP *Your time is limited, so don't waste it living someone else's life. —Steve Jobs*



Success

As you answer these questions, go beyond what you think the answers "should be," and answer them in a way that is meaningful to you.

How will you know if you are a success?

How do you define success for your business?

Do you have an exit strategy? If so, at what point and how do you want to exit?

What Does Growth Mean to You?

Most entrepreneurs want to see their businesses grow, even if they don't aspire to create the next Microsoft. Entrepreneurs define growth in different ways including—but not limited to—an increase in profit, revenue, customers, market share, employees, or locations. How fast or how big do you want to grow? You may have high expectations, or you might be satisfied with nominal growth. By setting growth targets, you can work towards achieving your goals.



Goals Drive Through

When Brad McLeod bought a business that manufactures custom motorcycles in Britt, Iowa, he knew he would have to grow his business to help him achieve his exit strategy goal—selling his business for a targeted amount to fund his retirement. With this target in mind, he knew he would need to significantly increase the value of Red Horse Motorworks—but how? After analyzing his business, the market, and the competition, McLeod developed a plan to grow his business by increasing his Internet presence and adding dealerships in the United States. He also capitalized on the interest in American-made cycles in the global marketplace. He now has dealerships in Africa, China, and Europe selling Red Horse motorcycles. He’s careful to avoid decisions to momentarily improve cash flow or profits that don’t fit with the overall goals he’s identified. McLeod measures growth by the increase in profits and the number of active dealerships. This growth will be reflected in the price he will be able to get when he eventually sells his business. The more the business grows, the more it will be worth to McLeod. All of the decisions he makes, whether it’s adding a manager or attending a new trade show, support his overall goal for growth.

As a first step toward setting growth targets, answer the following questions to start thinking about how your ideas of growth can either support or hinder your definition of success.



Growth

What type of growth would you like to see for your business? Check those you would like to see increased:

- | | | | |
|------------------------------------|---------------------------------------|--|--|
| <input type="checkbox"/> Profit | <input type="checkbox"/> Market share | <input type="checkbox"/> Power and influence | <input type="checkbox"/> Personal satisfaction |
| <input type="checkbox"/> Revenue | <input type="checkbox"/> Employees | <input type="checkbox"/> Intellectual property created | <input type="checkbox"/> Other |
| <input type="checkbox"/> Customers | <input type="checkbox"/> Locations | <input type="checkbox"/> Benefits to society | |

How does this type of growth support your definition of success?



Your Core Values

The decisions you will be making throughout this program are a reflection of your core values: what is important to your business and what values do you live by? Values are the principles or beliefs that guide you and your employees as you conduct business. In your day-to-day words and actions, you communicate your values to your employees. A strong organization will have employees who are committed to the same core values as the entrepreneur.

When Nancy Rodriguez launched her research and development firm, one of her primary motivations was to create a family-friendly workplace for women. As she has grown her business, she has maintained the family-friendliness that is important to her and her employees. An entrepreneur's values are reflected in how the business conducts its day-to-day activities.

Think about what motivates you and what values you want reflected in your business. You may want to involve your employees to help define the values that will guide your business.

In the future, you may decide to set new goals, change your strategy, or adjust your vision, but your core values will not change. They truly are the compass that guides you and your business when critical decisions need to be made. Use the checklist in *My Core Values* to start thinking about what is central to your business.

TIP Your core values are the foundation for your business's mission and vision.



My Core Values

Check each value that is important to you and your business. Then place a star ★ by the top five. You can also write your core values in sentence form below.

- | | | |
|--|---|--|
| <input type="checkbox"/> Close relationships | <input type="checkbox"/> Involvement | <input type="checkbox"/> Respect for others |
| <input type="checkbox"/> Community | <input type="checkbox"/> Helping customers | <input type="checkbox"/> Reputation |
| <input type="checkbox"/> Ethical practices | <input type="checkbox"/> Honesty | <input type="checkbox"/> Treat others fairly |
| <input type="checkbox"/> Excellence | <input type="checkbox"/> Integrity | <input type="checkbox"/> Other: _____ |
| <input type="checkbox"/> Family friendly | <input type="checkbox"/> Personal development | <input type="checkbox"/> Other: _____ |
| <input type="checkbox"/> Financial gain | <input type="checkbox"/> Recognition | <input type="checkbox"/> Other: _____ |

You can use this space to state your core values in phrases or sentences:



Sizing Up Your Business

1. Define success, growth, values
2. Analyze your business
3. Clarify your vision
4. Set goals

Evaluating Your Business

To better understand your business situation, the next part of this module will help you clarify your mission and complete an internal assessment and environmental scan. You will use this information to conduct a SWOT analysis and identify your core competencies. Your results will be used as part of the decision-making process in subsequent modules.

Mission Statement

A mission includes the purpose of the business, how it achieves its purpose, and the values that guide the business. These basic ideas can sometimes be difficult to articulate.

The right mission statement can inspire and motivate you, your employees, and your customers. It gives your business focus. As you work on your mission statement, seek input from your team. There is no single right way for a mission statement to be written. Most mission statements tend to be three or four sentences, but often a single sentence can be equally effective. In any case, your mission statement should be specific to your business. Stay away from generic references to quality and customer satisfaction because your vision—just like your business—is unique.

The following are examples of mission statements for a variety of large and small businesses:

- The mission of Google™ is to organize the world's information and make it universally accessible and useful.
- Southwest Airlines' mission is dedication to the highest quality of Customer Service delivered with a sense of warmth, friendliness, individual pride, and Company Spirit.
- Red Horse Motorworks' mission is to find out exactly what the customer wants, purchase the best parts, employ the best, most experienced people, build the motorcycle by hand (no assembly line), and give the customer the highest value at the best possible price.
- The mission of ActiveForever® is to be utilized as the most highly recommended source of medical assistive devices, physical rehabilitation products, pain relief, and convenience products for adults of all ages, for home and workplace, while avoiding direct involvement in insurance reimbursement.

Each of these examples describes the purpose of the business and how it is accomplished. ActiveForever® even includes what they don't want to do—get involved with insurance reimbursement.

In *The Art of the Start*, Guy Kawasaki suggests distilling your mission statement into a powerful mantra, something short and sweet that will drive what you and your team do. Sometimes, simply two or three words can be powerful.

Volvo's "First we think, then we build" helps remind employees what they are trying to accomplish—build cars that have intelligent designs. This brief sentence also communicates that intelligent approach to their customers as a competitive advantage.

Action Step 1.2 will guide you through clarifying your mission statement. If you already have one, take this opportunity to review and update it. Use *Clarifying My Mission* to make some notes for your mission statement.

TIP Some entrepreneurs may say a business's purpose is to make a profit, but profit is actually an objective or result of the business accomplishing its purpose.



Clarifying My Mission

The purpose of my business—why does it exist?

How my business achieves its purpose—what does it do?

Key values of my business—what does my business stand for?

Putting it all together. Make a first-draft attempt at crafting a mission statement for your business.

Internal Assessment

Once you have a clear sense of your mission, it's time to diagnose your company's strengths and weaknesses. The following checklist will help you analyze your business—what's working and what can be improved. It's helpful to have your partners and employees complete it with you. By including others, you'll not only get their good ideas, but you're more likely to get their buy-in and motivate them to help you implement any plans that may arise from the assessment.

TIP By the way, doing this work will help you in completing your business plan. You'll notice that many of these questions are directly tied into the sections required in your business plan.



Internal Assessment

Evaluate your business's internal strengths and weaknesses using the statements below. Answer those that apply to your business. Add additional statements that are important to your specific business.

Decision Making and Planning	Yes	Needs Improvement
My business has a formal process to identify business opportunities, potential risks, and pitfalls.	<input type="checkbox"/>	<input type="checkbox"/>
Goals are written and systematically reviewed by key management team members.	<input type="checkbox"/>	<input type="checkbox"/>
Success factors are tracked and measured against business plan projections.	<input type="checkbox"/>	<input type="checkbox"/>
I use the planning process to ensure that all aspects of my business work together and support the overall goals of the business.	<input type="checkbox"/>	<input type="checkbox"/>
I have an exit strategy in place that meets my personal and financial goals.	<input type="checkbox"/>	<input type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>

Product/Service	Yes	Needs Improvement
I know why customers choose to buy my product/service over someone else's.	<input type="checkbox"/>	<input type="checkbox"/>
I know the benefits my customers believe they receive when they purchase my product/service.	<input type="checkbox"/>	<input type="checkbox"/>
I am well aware of my product/service limitations.	<input type="checkbox"/>	<input type="checkbox"/>
I have identified and protected all intellectual property of my business.	<input type="checkbox"/>	<input type="checkbox"/>
I know the potential liabilities of my business and have taken steps to minimize them and protect my business from them.	<input type="checkbox"/>	<input type="checkbox"/>
I have a written plan in place to provide sufficient production capabilities to meet my projected needs.	<input type="checkbox"/>	<input type="checkbox"/>
I am aware of and comply with all laws and governmental regulations that apply to my business.	<input type="checkbox"/>	<input type="checkbox"/>
I use pricing strategies for my product/service to achieve my marketing and financial goals.	<input type="checkbox"/>	<input type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>



 Internal Assessment continued		
Marketing	Yes	Needs Improvement
I manage my business to distinguish it from competitors.	<input type="checkbox"/>	<input type="checkbox"/>
My business's core competencies create a competitive advantage in the market.	<input type="checkbox"/>	<input type="checkbox"/>
I know which market differentiators my competitors use.	<input type="checkbox"/>	<input type="checkbox"/>
I have clearly defined marketing goals and objectives for the year.	<input type="checkbox"/>	<input type="checkbox"/>
I have identified my target market and know who is most likely to buy from me.	<input type="checkbox"/>	<input type="checkbox"/>
My company has a distinctive brand that is communicated consistently to the market.	<input type="checkbox"/>	<input type="checkbox"/>
I have customer service strategies in place to turn a first-time sale into a long-term customer.	<input type="checkbox"/>	<input type="checkbox"/>
My distribution channels allow me to grow and achieve business goals.	<input type="checkbox"/>	<input type="checkbox"/>
I use an effective mix of advertising, promotion, and publicity to promote my product/service.	<input type="checkbox"/>	<input type="checkbox"/>
I evaluate the effectiveness of my marketing plan on a regular basis.	<input type="checkbox"/>	<input type="checkbox"/>
I know the return-on-investment of my marketing activities.	<input type="checkbox"/>	<input type="checkbox"/>
All of my proposed marketing activities are listed on an annual schedule.	<input type="checkbox"/>	<input type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>
Management and Organization	Yes	Needs Improvement
I spend most of my work time on high-priority tasks that drive my business results.	<input type="checkbox"/>	<input type="checkbox"/>
I have a clear vision for my company and communicate it regularly to my employees and contractors.	<input type="checkbox"/>	<input type="checkbox"/>
I use outside mentors, advisers, and coaches to continue to learn and grow as a leader.	<input type="checkbox"/>	<input type="checkbox"/>
My employees and I have a clear idea of what we want to accomplish. Written job descriptions clarify roles.	<input type="checkbox"/>	<input type="checkbox"/>
I have recently examined my management structure to determine if it is meeting my needs.	<input type="checkbox"/>	<input type="checkbox"/>
My employees are as motivated and energized as they can be. They enjoy coming to work. I enjoy coming to work.	<input type="checkbox"/>	<input type="checkbox"/>
My employees and I have the skills and knowledge needed to perform our jobs and make good decisions.	<input type="checkbox"/>	<input type="checkbox"/>
My employees are able to work on their own with minimal supervision from me and my managers.	<input type="checkbox"/>	<input type="checkbox"/>
My contractors and vendors are doing superior work, doing it in a timely manner, and providing good customer service.	<input type="checkbox"/>	<input type="checkbox"/>
My company follows socially responsible business practices.	<input type="checkbox"/>	<input type="checkbox"/>
My legal form of organization is the best choice and minimizes tax and legal liability.	<input type="checkbox"/>	<input type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>



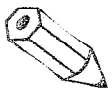
Internal Assessment continued

Operations	Yes	Needs Improvement
I have documented the processes in my business.	<input type="checkbox"/>	<input type="checkbox"/>
I have controls in place to assure the safety, security, and quality of control of my business and its products/services.	<input type="checkbox"/>	<input type="checkbox"/>
I have key measurements that I monitor on a monthly basis.	<input type="checkbox"/>	<input type="checkbox"/>
I have my duties clearly outlined to make sure I complete my responsibilities.	<input type="checkbox"/>	<input type="checkbox"/>
I provide ongoing training for all employees.	<input type="checkbox"/>	<input type="checkbox"/>
I have and use the technology necessary to drive current business functions.	<input type="checkbox"/>	<input type="checkbox"/>
I have a technology growth plan.	<input type="checkbox"/>	<input type="checkbox"/>
I have a risk management strategy.	<input type="checkbox"/>	<input type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>
Financial	Yes	Needs Improvement
I monitor my profitability and cash flow on a regular basis.	<input type="checkbox"/>	<input type="checkbox"/>
I can interpret the financial ratios for my business and use them to measure my performance.	<input type="checkbox"/>	<input type="checkbox"/>
My employees understand the financial goals of the business and know if we are achieving them.	<input type="checkbox"/>	<input type="checkbox"/>
I have established a good business relationship with a banker, accountant, insurance agent, and financial adviser.	<input type="checkbox"/>	<input type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>
Other (List additional areas that affect the success of your business.)	Yes	Needs Improvement
	<input type="checkbox"/>	<input type="checkbox"/>

Environmental Scan

In addition to examining your business, you will also want to consider the external factors that affect it, such as the industry, competition, customers, economic conditions, and cultural trends. This type of review helps you focus on what is happening now and anticipate changes that may come. You will find this information to be a helpful starting point as you plan to grow your business in subsequent modules.

Complete an environmental scan for your business by responding to the following questions. Answer those that apply to your business and add additional ones that are important to your specific business. You may decide some questions require additional research. Module 2 Exploring Growth Opportunities will help you research this information.



Environmental Scan

Industry

How do you expect the demand for your type of product/service to change in the future? Why?

What are the trends that will affect demand? Consider demographic, economic, regulatory, and technological changes as well as global business trends that may affect demand.

What trends will affect the way you conduct your business?

How do economic conditions affect the demand for your type of product/service?



Environmental Scan continued

Competition

Who are your strongest competitors? For each one, describe their product/service, image, typical customer, pricing, marketing, and how they differentiate themselves. What do they do best? What is their weakness?

Market Segments

For each of your market segments, describe what a typical customer is like, using the following descriptors.

Demographic (relevant factors such as age, gender, educational level, ethnicity, income level)

Geographic (where they live)

Psychographic (lifestyle and attitudes)

Buying considerations (primary reasons customers purchase your product/service, such as benefits, price, convenience, service, and status)

What other market segments might be attractive for your business?

SWOT Analysis

A useful tool to help you better understand your business's current prospects for success is the SWOT analysis. Factors that are internal to your business, such as key management personnel, are evaluated as strengths or weaknesses. External factors, such as the economic environment, are described as opportunities or threats. Your SWOT analysis will create a snapshot of your business's situation. The information you captured for your *Internal Assessment* and *Environmental Scan* can be used to complete your SWOT analysis in Action Step 1.1.

Strengths can be used to gain a competitive advantage. You will want to nurture your strengths.

Examples: recognized as market leader, adequate financial resources, strong management team, proprietary technology

Weaknesses are important because they need to be corrected in order to meet your goals.

Examples: costs disadvantage with competitors, weak market image, no clear strategic direction, lack managerial depth, outdated facilities

Opportunities could allow you to improve your position in the market or grow your business.

Examples: expand product line, add related service, form strategic alliance, target new market

Threats represent potential problems that you should consider and address.

Examples: entry of strong competitor, increased regulation, change in customer buying preferences

Take a look at items in one category and you may see how, from a different perspective, they can fit into the opposite category. For example, if you ignore an opportunity, it can become a threat if a competitor decides to use it.

Core Competencies

You can use the SWOT analysis to help determine your core competencies.

Competencies are those skills and tasks at which you excel and are valued by your customer. A core competence is a capability that could help your business achieve a competitive advantage, such as an expert sales team, strong branding, efficient processes, proprietary technology, or another asset that is critical to your success. Your business may have many competencies, but your core competencies are those that help differentiate it from the rest of the market. For example, Toyota is currently the car company with the most advanced core competency in building hybrid vehicles. Starbucks has core competencies in brewing full-flavored coffees, having the dominant coffee brand, the largest network of distribution outlets, and a predictable customer experience.

Looking at your business's strengths is a starting point to identify its core competencies. Once core competencies are identified, they can form the cornerstone of your business strategy. Think of your core competencies as your invisible assets. Though they do not show up on your Balance Sheet, they are resources that you can use to beat the competition.

TIP SWOT is an acronym for Strengths, Weaknesses, Opportunities, and Threats.

TIP A core competence is difficult for a competitor to imitate.



Your core competencies will change over time. For example, your business may have superior technological skills that give it a competitive edge. Eventually competitors will catch up or new technological skills will supercede the current ones. When they do, your business will need to explore its opportunities and determine what changes it needs to make before it loses its competitive advantage. The name Schwinn used to be synonymous with quality bicycles. After losing touch with their market and outsourcing their production, they lost their competitive advantage and ended up in bankruptcy.

Sizing Up Your Business

1. Define success, growth, values
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TIP When entrepreneurs talk about their *vision*, they often use the term collectively to refer to their core values, their mission statement, and their vision for the future.

Clarifying Your Vision

Most entrepreneurs are driven by an overriding purpose when starting their business. Successful entrepreneurs take it one step farther and develop a vision for future growth. This vision helps guide the day-to-day operations and strategic decision-making necessary to achieve success.

Before deciding what steps are necessary to move toward your business goals, you must be very clear about your desires for yourself and your business. Identifying a three-year vision can add this clarity.

Three-Year Vision

What do you dream your business could be? Your vision can help you imagine your business beyond the details of its current day-to-day activities. Don't mistake the vision you will create for FastTrac® for those formal vision statements with lofty aspirations that are framed and prominently displaced for all to read. A common problem with that kind of vision is that it often expresses nebulous and unattainable ideals. The vision you will be asked to create in Action Step 1.2 is intended to be one that will help you visualize specific things you would like to realize within a three-year time frame.

To identify your three-year vision, focus on the future. Don't forget to consider changes in the global marketplace, the Internet, and technology. And remember, a vision does not have to be grounded in today's reality. It is a goal to strive for, not a reflection of a business's current position.

While your mission statement summarizes the business's purpose, a vision paints a picture of what the future could look like. Consider the example on the following page of what one entrepreneur dreamed his business looked like three years into the future. Use this example to get ideas for Action Step 1.2, when you will have the opportunity to create your own vision.

Closing the Gap

Moving a business from the present to its vision requires a gap analysis. This process will help you identify the difference between the two and determine what changes in your business will close the gap and help you achieve your vision.

For example, if a business has recently seen its sales stagnate and its vision is to increase its profits, the entrepreneur could use a gap analysis to examine why the sales are flat, determine the best way to improve sales, and pay attention to ways to increase profitability, even if sales do not grow.

Another entrepreneur's vision may include increased production for her manufacturing business. Since her current space and equipment are already at full capacity, she could bridge the gap by identifying the steps needed to increase production, including new space, additional equipment, employees, and the funds to accomplish these goals.

EXAMPLE

My three-year vision	My staff	Management team	Vendors	Customers	Myself	Friends and family
What do I see?	<i>They have productive meetings with innovations emerging.</i>	<i>I see an energized committed top team.</i>	<i>They want to supply us and visit us regularly.</i>	<i>They are buying our products.</i>	<i>On vacation for the first time in two years.</i>	<i>They welcome me home for dinner every night.</i>
What do things look like?	<i>They are eager to get to work. They work hard and collaborate.</i>	<i>They are taking care of their areas and producing top results.</i>	<i>They ask if they can form strategic alliances perhaps finance product lines.</i>	<i>They are happy to visit our business and regularly give us positive feedback and suggestions.</i>	<i>Meeting payroll without a problem.</i>	<i>Our bills are being paid every month and the savings accounts are building.</i>
What do I hear?	<i>I hear them taking good care of customers.</i>	<i>I hear them encouraging one another and offering assistance.</i>	<i>I hear them offering special payment plans and discounts.</i>	<i>They say they are satisfied with the quality of our products and are telling other potential customers about us.</i>	<i>Doing what I do best — selling.</i>	<i>We make vacation plans and ideas for weekend excursions.</i>

How to move from your current business situation to the business you envision is the focus of this FastTrac® program. The next step is to set your goals for your business, including some that you would like to accomplish during this program.

Setting Goals

With an eye toward their vision, entrepreneurs set goals for the organization, themselves, and their employees. Then they measure the results and hold people accountable, including themselves.

It is not enough to set goals. You must diligently work toward them and follow-up by measuring your results and making improvements. One of the most important things you can do is to define your business's most critical goals then develop measurable targets, determine the gaps between desired and actual performance, and implement a strategy to close the gaps. You will set goals in Action Step 1.3 and then, in Module 3 Making Strategic Decisions, identify strategies to reach those goals.

Goals for your business should be SMART:

- **Specific** – Clearly defined by those who have the knowledge about their impact
- **Measurable** – Quantifiably defined in such a way as to gauge progress
- **Achievable** – Challenging and rewarding, but still within reach

Sizing Up Your Business

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TIP Even if you are on the right track, you'll get run over if you just sit there. —Will Rogers

- **Relevant** – Tied to current critical tasks and abilities of the team
- **Time-based** – Linked to an agreed-upon timeline

You will increase your odds of accomplishing your goals if you write them down. You'll find that using the SMART guidelines will help improve your goals setting skills.

EXAMPLE

Original – *Become a leader in the computer headphone/microphone industry, excelling in meeting customer requirements and providing the highest quality products.*

Rewritten – *Within two years, achieve 40 percent market share in the computer headphone/microphone industry, receive the J.D. Power highest quality rating in the industry, and receive 95 percent or above good or excellent ratings on our customer-service surveys.*

Goals for Your Business

Businesses use many types of goals at different levels for different purposes. Your goals can be based at the organizational, departmental, team, or individual level. Consider these two lists of possible goals:

- **Organizational and Departmental Goals** – Profitability targets, sales targets, inventory targets, financial ratios, productivity, health and safety, environmental, community, employee satisfaction, turnover, customer satisfaction, quality, human-resource targets, government regulations, and waste reduction
- **Individual and Team Goals** – Number of units produced, specific tasks to be completed, deadlines met, completion rates, time on task, and quality rating

Regardless of whether you write the goals at the organizational, departmental, team, or individual level, they should be aligned with your overall business strategy.

In Action Step 1.3 you will create a set of goals that can be used to guide your business as well as specific goals for this program.

Goals for this Program

One of the best ways to make sure you accomplish your goals is to write them down and hold yourself accountable. As you think about the broader goals you have for your business, also think about the short-term goals you want to accomplish during this FastTrac® program. When you decided to take this program, you may have had some specific goals in mind. If not, now is the time to consider what it is you want to accomplish.

Perhaps you want to learn how to use your financial statements to make better decisions about your business. You may want to do some research to determine whether you are targeting the right markets, create a written plan to guide your business, or develop your networking skills during each session. This is an arbitrary list. You need to decide what you want to accomplish so that you can focus your efforts to get the best results. And don't forget personal goals that your business can help you fulfill. After all is said and done, if your business isn't helping you personally, it's time to make some changes.

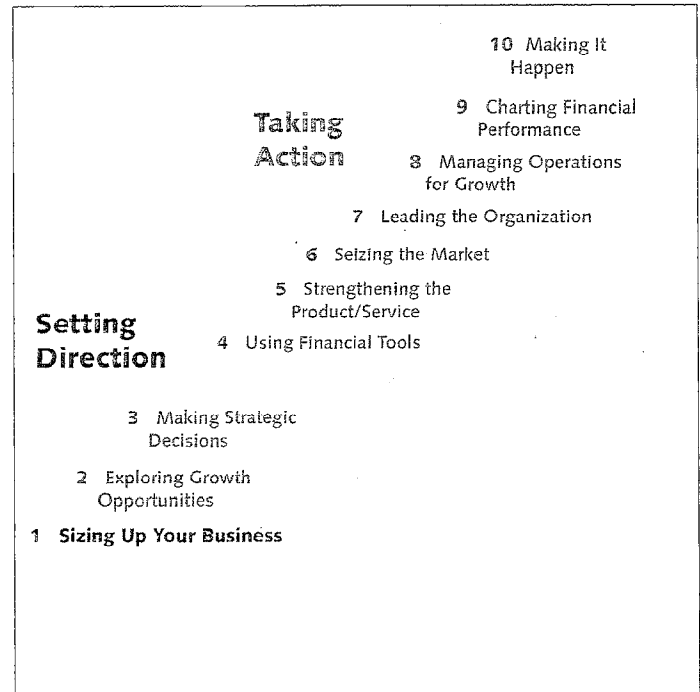
TIP Whatever goals you set, make them make a difference for you. Periodically review your progress to make sure you are accomplishing them.

Summary

You've started defining your future. In this module, you identified what success means to you and the type of growth you want for your business. You also learned how to analyze your current business situation, clarify your vision, and set goals to achieve it. This process will help provide direction and focus for you and your employees.

Key Things to Remember

- Define what success means to you; this can serve as a filter for the choices and decisions you make for your business.
- Engage the planning process as a proven way to think through every aspect of the business before you commit financial resources.
- Seek input from your employees as you analyze your business and work on your plan. Their insights are valuable and their buy-in is crucial.
- Analyze your business's internal strengths and weaknesses and its external opportunities and threats when developing your overall business goals.
- Know what you and your business are good at—your core competencies—and recognize that your role in the business will evolve as the business grows.
- Set goals and regularly measure your progress against them.



Module 2 Exploring Market Opportunities will focus on key aspects of growth: assessing the business's readiness for growth, identifying and screening market opportunities, conducting market research, and determining market potential. You will use your vision and goals from Action Steps 1.2 and 1.3 as part of the screening process to determine if an opportunity is right for your business.



Activity 1a Aha! Moments

Recognize learning moments that trigger change.

Directions

By listening for signs, you will find opportunities to improve your business's performance. Sharpen your entrepreneurial skills as you read three short scenarios. Remember, sometimes you may be seeing a symptom and not the source of the problem.

Step 1 Read each scenario. In small groups, discuss the questions following each scenario.

Scenario A: As Jake walked into his office, he replayed this morning's conversation with his accountant. He was thinking about adjusting his prices to compete with a new business that was advertising services similar to his. Their grand opening was in two weeks. Jake wanted to discount some of his most popular services to make them slightly cheaper than the new business's advertised prices. He wanted the accountant to help him figure out what lowering prices would do to his profitability. His accountant asked a question that Jake could not answer: Why do your customers buy from you?

Is price the only way Jake can compete with the new business?

What types of things do customers want from a business?

What steps do you suggest Jake take next?



Activity 1a Aha! Moments continued

Scenario B: Victor glanced up at the clock. Its hands were approaching 6 p.m. On his desk was the day's mail, still unopened. He would tackle it after responding to his e-mails. Victor had planned to spend time that morning evaluating a potential opportunity. Victor has worked with another entrepreneur, Jasmine, on a chamber committee and is impressed with her savvy business abilities. Jasmine had suggested they work together on a proposal she had been asked to submit to her client, as the project would be too much for her to do alone. Instead of considering the opportunity, Victor spent much of the morning with two of his best employees who were having a conflict. Jasmine had asked Victor to let her know by tomorrow if he is interested in working with her. The new opportunity sounded interesting, but Victor hadn't had time to consider what it would mean to his business.

What are the issues facing Victor?

What changes are needed?

What steps do you suggest Victor take?

Scenario C: An ergonomic consultant, Sarah contracts with corporations to evaluate potential problems and make recommendations for a healthier and more productive workplace. As part of her work, she tells her clients where they can find the items needed to improve their workstations. The local retailers are often out of stock, and her clients have to wait weeks for the products. One of Sarah's best clients asked her why she didn't carry some of these items herself. Sarah wants to find a way to grow her business but is not sure if this is the right direction.

To grow her business, what options might Sarah want to consider?



Activity 1a Aha! Moments continued

What questions should Sarah ask herself first before she evaluates these options?

Step 2 Answer the following questions about your own Aha! moments. Discuss your responses with your small group.

What are some of the learning moments or trigger points you have had as an entrepreneur? Think about specific events or symptoms you have noticed.

What type of change, if any, did you make as a result?

What type of change do you think your business needs?

What do you like about your business and what is already working well?



Activity 1b SWOT Analysis and Goal Setting

Identify business priorities and make recommendations.

Step 1 Read the scenario and review the SWOT analysis.

Ethan and Olivia started a technology security consulting business in 2003. They currently serve the needs of small businesses and schools, with the main task of securing their networks and Internet connections. They have a comfortable client base and have seen a steady increase in profits due to a growing demand for their services.

EXAMPLE

<p>Strengths</p> <p><i>Well positioned in the market (no strong competitors in their community)</i></p> <p><i>Ability to explain technical issues in a non-technical manner to clients</i></p> <p><i>Keeps costs down by using independent contractors as needed</i></p> <p><i>Stays current on latest technology</i></p>	<p>Opportunities</p> <p><i>Expand to serve mid-sized businesses</i></p> <p><i>Increase services offered to existing clients</i></p> <p><i>Industry expected to continue to grow</i></p> <p><i>Diversify from being strictly services to offering software products</i></p> <p><i>Additional safeguards for identity theft represent an untapped area for growth</i></p> <p><i>Could include developing communication pieces for clients to use with their customers</i></p>
<p>Weaknesses</p> <p><i>No clear strategic direction</i></p> <p><i>Weak image with potential customers</i></p> <p><i>Marketing skills are not strong</i></p> <p><i>Undocumented processes</i></p> <p><i>No job descriptions for management team</i></p> <p><i>Not sure of actual costs for each service—have not updated prices in two years</i></p> <p><i>Have not identified or protected all intellectual property</i></p>	<p>Threats</p> <p><i>Potential entry of additional competitors</i></p> <p><i>Changing customer preferences and needs</i></p> <p><i>Clients could opt to train employees to do the work in-house</i></p> <p><i>Potential for new technology to change industry</i></p>

Step 2 Identify the most important items to work on first. Add a star ★ after the most important items in each of the four categories above.



Activity 1b SWOT Analysis and Goal Setting continued

Step 3 Write preliminary recommendations for Ethan and Olivia. Recommendations should capitalize on strengths and opportunities and correct or address weaknesses and threats.

EXAMPLE

To address weak image with potential customers, create a strong brand for the business.

Step 4 Prioritize the recommendations. Turn your top two recommendations into goals.

EXAMPLE

Olivia will determine the desired brand identity, the message(s) to communicate, and marketing activities to support this information. The plan will be ready to implement by March 23.



Action Step 1.1 Conduct a SWOT Analysis

Create an overview of your business's strategic situation.

- A. **Complete the chart below.** Include the strengths and weaknesses you identified in your internal assessment and the opportunities and threats from your environmental scan.

Strengths	Opportunities
Weaknesses	Threats

- B. **Identify the three or four most important items to work on first.** Add a ★ next to the most important items in each of the four categories above.



Action Step 1.1 Conduct a SWOT Analysis *continued*

C. **What are your core competencies?** List the skills and tasks at which you excel and by which you are valued by your customers.

D. **What do you want to research?** Make a list of things you want to research as a result of the SWOT analysis.



Action Step 1.2 Define My Three-Year Vision

Articulate the core values, mission, and vision for your business.

- A. **Identify the core values for your business.** Refer to *My Core Values* on p. 7.
- B. **Write your mission statement.** Refer to *Clarifying My Mission* on p. 9.
- C. **Define your three-year vision.** Describe what you want your business to be like in three years. Include your role in the business, the employees you will have, the customers you will serve, and the products/services you will provide. Write your thoughts below or use the chart on p. 28.



Action Step 1.2 Define My Three-Year Vision continued

Think about what you would like your business to be like three years from now. Describe your thoughts in the following chart.

My three-year vision	My staff	Management team	Vendors	Customers	Myself	Friends and family
What do I see?						
What do things look like?						
What do I hear?						



Action Step 1.3 Identify Goals for My Business and the FastTrac® Program

Create actionable goals that will focus your performance on what you want to achieve.

Directions

Consider your SWOT analysis and your vision for your business. Set three to four goals for your business that are key to achieving your vision. For the FastTrac® Program, set two to four goals that you want to accomplish as a result of this program.

SMART Goal Setting

Identify three to four specific goals you want to set for your business. Write the first draft of the goal in the Original Goal box in the left-hand column, then check to see if it is specific, measurable, achievable, relevant, and timely. Review the descriptions of these characteristics on p. 17. If the goal does not fulfill all these requirements, improve it in the Revised Goal box.

Goals for My Business	Specific	Measurable	Achievable	Relevant	Time-based
A. Original Goal					
A. Revised Goal					
B. Original Goal					
B. Revised Goal					
C. Original Goal					
C. Revised Goal					
D. Original Goal					
D. Revised Goal					



Action Step 1.3 Identify Goals for My Business and the FastTrac® Program continued

SMART Goal Setting

Identify two to four specific goals you want to accomplish during the FastTrac® program. Write the first draft of the goal in the Original Goal box in the left-hand column, then check to see if it is specific, measurable, achievable, relevant, and timely. If the goal does not fulfill all these requirements, improve it in the Revised Goal box.

My Goals for the FastTrac® Program	Specific	Measurable	Achievable	Relevant	Time-based
A. Original Goal					
A. Revised Goal					
B. Original Goal					
B. Revised Goal					
C. Original Goal					
C. Revised Goal					
D. Original Goal					
D. Revised Goal					