5 Deadly Biz Sins to Avoid

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Agenda

- 5 Deadly Business Sins
- Tips to avoid them
- Real Life business cases

Hmm…

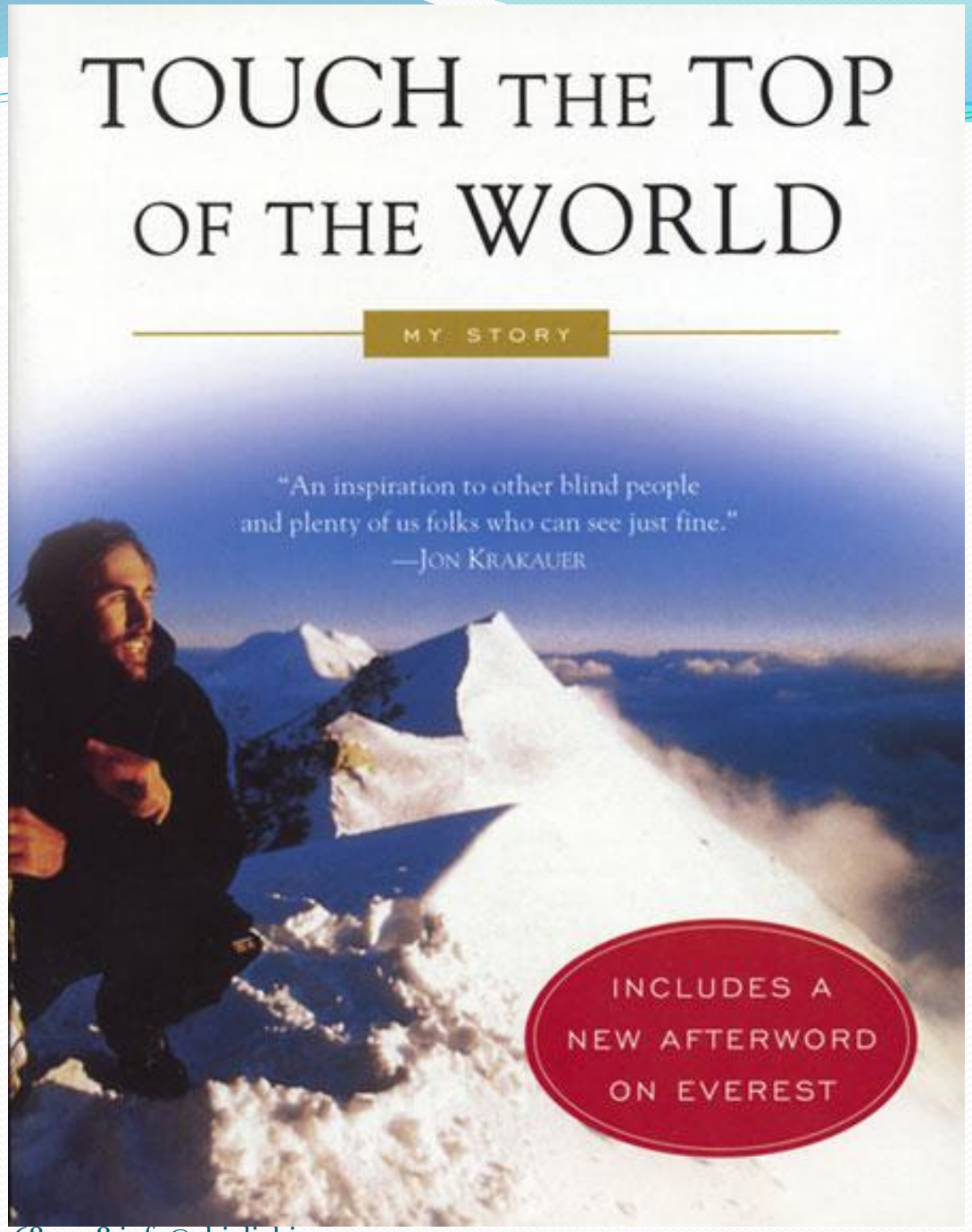
Why are you in business?

Why are you in business?

Passion

Flexibility

Financial Independent


TOUCH THE TOP
OF THE WORLD
MY STORY
"An inspiration to other blind people
and plenty of us folks who can see just fine."
—JON KRAKAUER
INCLUDES A
NEW AFTERWORD
ON EVEREST

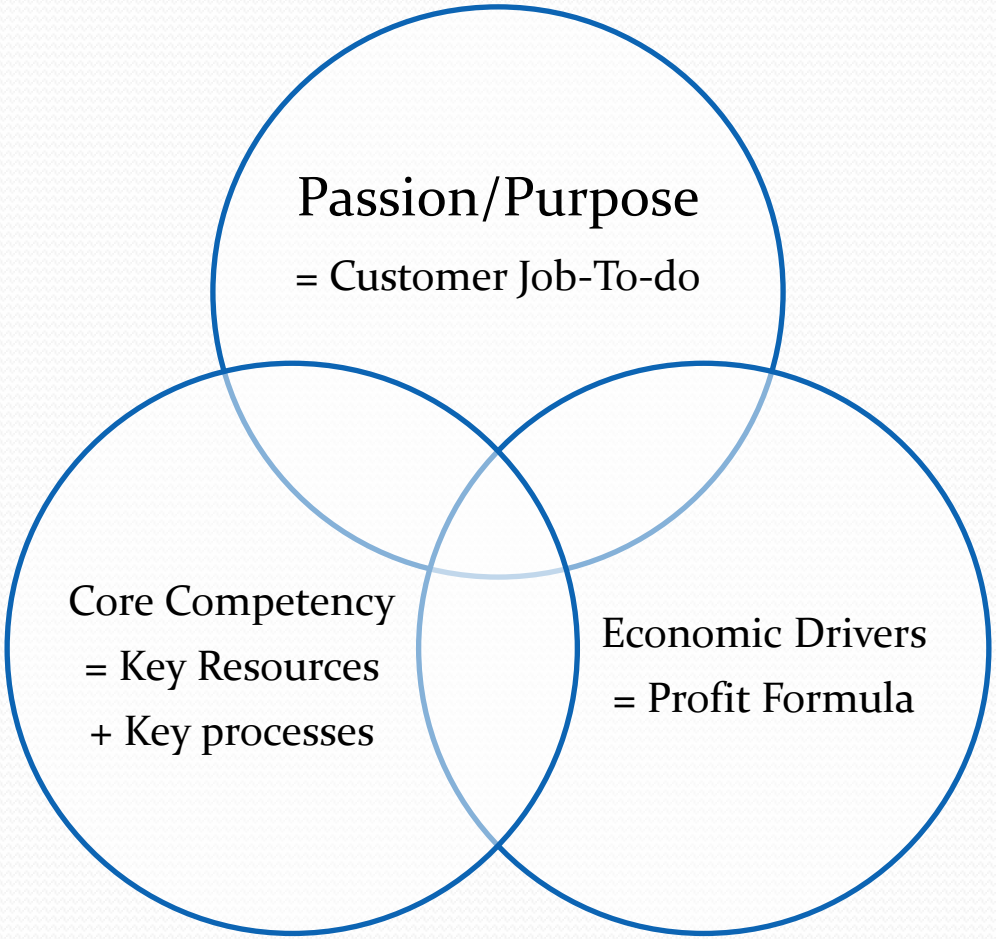
Risky Business

- 26.9 Million Small Business
- 1/6 Survival rate in 5 years
- < 5% has $1+ Million Revenue
- 1/3 closed without selling

5 Deadly Biz Sins to avoid

1. No Sustainable Economic Engine
2. Push Marketing Only
3. Lack of predictable profits
4. No ROI of each producing Employee
5. Unable to capitalize the “Know How”

Sin #1 - No Sustainable Economic Engine



Luna's business

- Therapies firm in business for 12 years.
- One revenue source
- One customer
- Lost the county bid July 2009
- Fed. reduced Medicaid payment in late 2009

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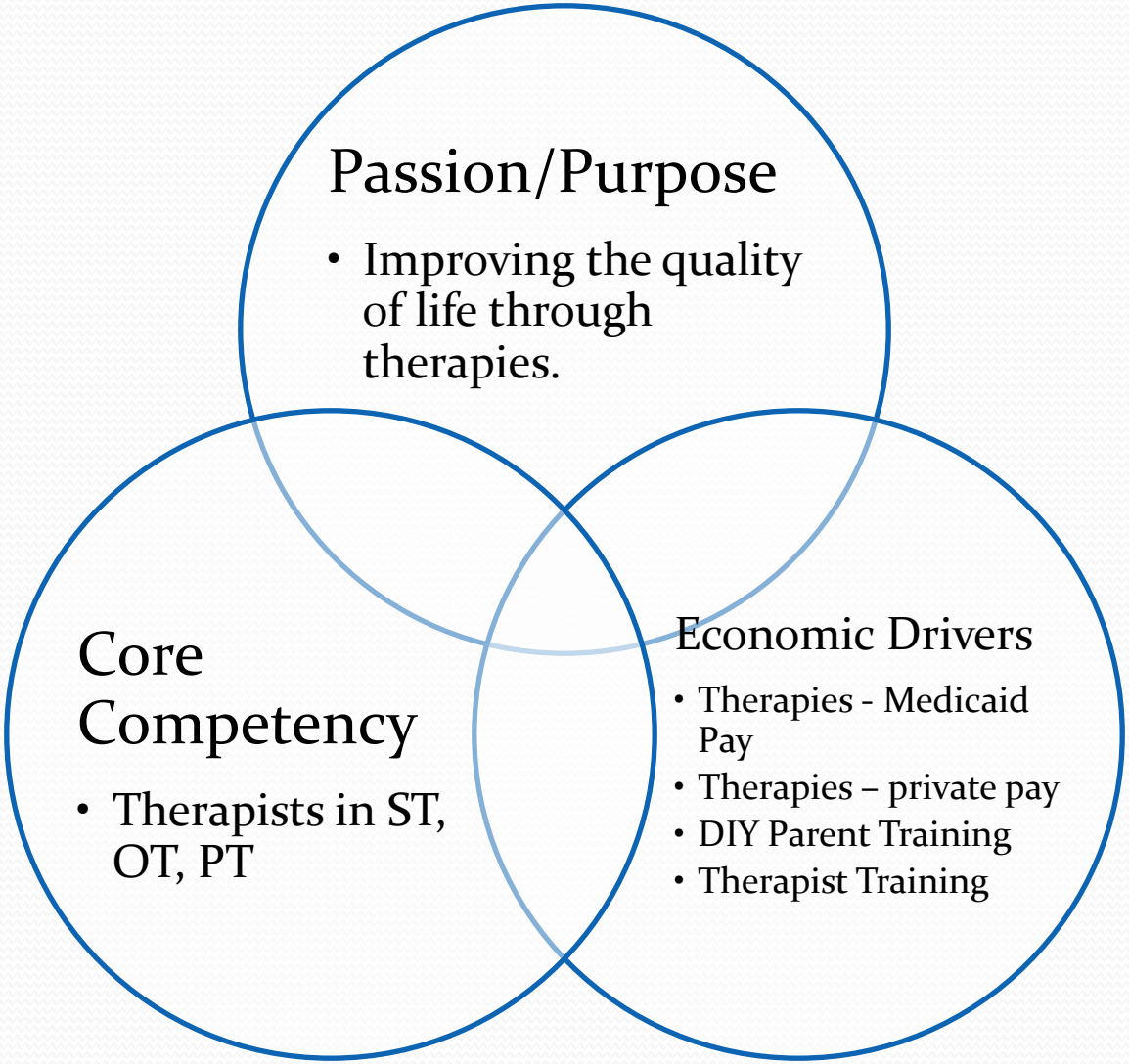
Luna's New Business Model



Results of the change

- 6 additional revenue sources
- No more bidding games with state or county
- Not totally rely on Fed. Medicaid revenue
- 167% increase in revenue or $600K to $1.3MM Oct YTD
- 100% increase in Net profit or from 6% to 12%

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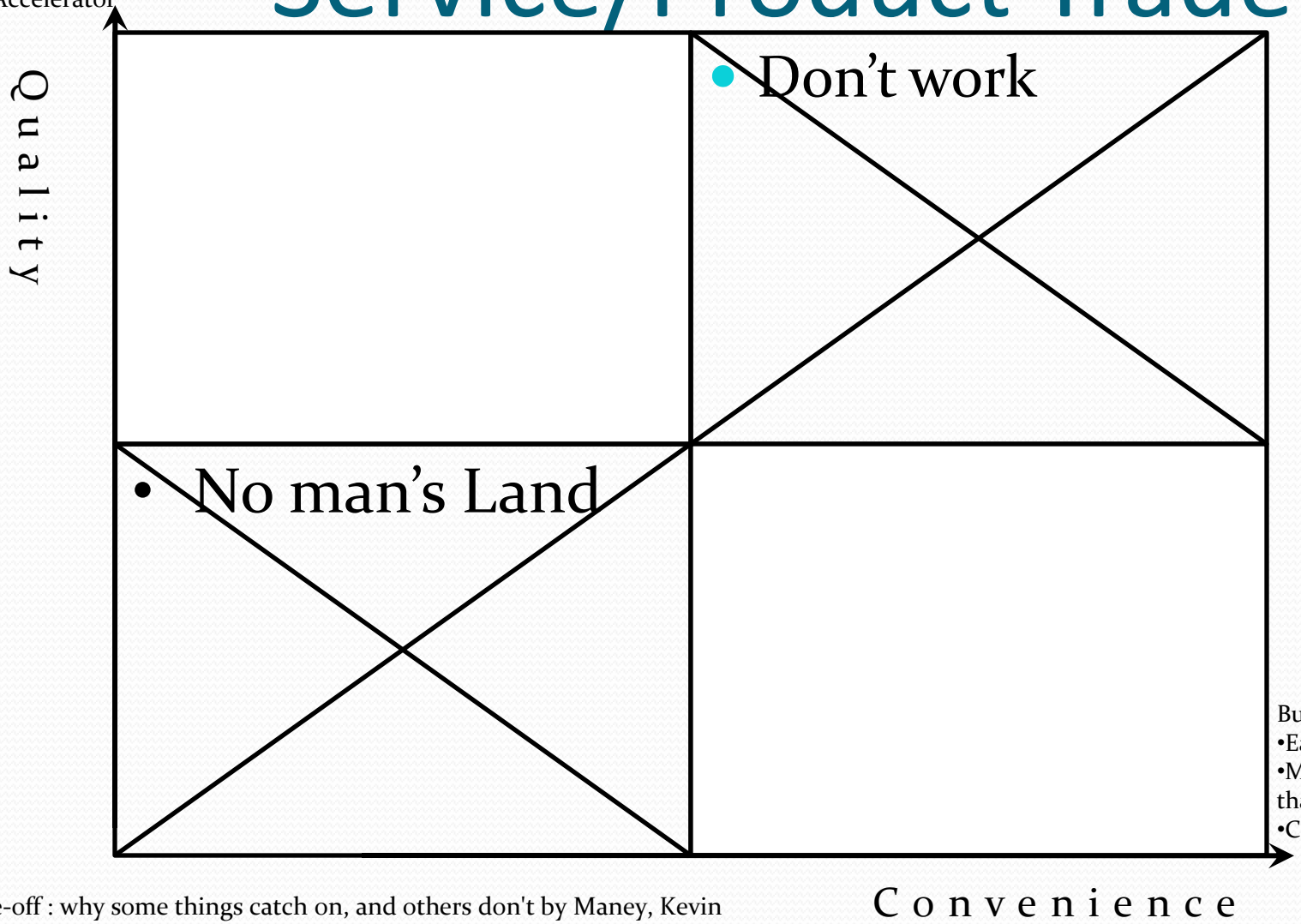
Sin #2 - Push Marketing Only

- Pull Marketing
- Defined Market Makers
- Market Space

Buyer's Fidelity
•Aura
•Experience & Quality
•Identify
•Social Accelerator

Service/Product Trade-off



Buyer's Convenience
•Ease
•More convenience than competitors
•Cost

Trade-off : why some things catch on, and others don't by Maney, Kevin

Market Makers

Products/Services	Same	Different
Different		
Same		

Market

Steven's Business

- In training business for 25 years
- Sell retail training business only
- Not fully leverage the core competency

Steven's Market Makers

Products/Services		

Different	• Training – Wholesales
	  • MM1: CTI
	  • MM2: Top Leadership Co
	  • MM3: Top European Co
	  • MM4: CCL
	  • MM5: Fortune 50 Co.	

Same	• Training - Retail • Coaching Software subscription • Writing • Biz Function specific Custom training	• Training – Retail • Software subscriptions for Professionals • MM1: Fortune 100 Co.
	Same: Human development professionals	Different: Professionals

Market

Results of the change

- 4 additional revenue sources
- Sell programs on wholesale level through 3 Market Makers
- 25% increase in revenue
- 200%+ increase in net profit or from -10% to +14%

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Sin #3 - Lack of predictability profits

- Critical Success Factor
- Key Performance Indicator

Dan's business

- Construction firm in business for 12 years.
- 90% of revenue comes from one customer
- 90% from one type of revenue source
- Business drop from $6MM to < $1MM in 2008

Dan's PROFITS MATTER®

- Critical Success Factors (CSF)
  - 1 new market maker by 2010
- Key Performance Indicators (KPI)
  - 80 home sites per month

Results of the change

- 3 additional revenue sources
- 1 new Market Maker by March 2010
- 120% increase in revenue, or $2.2MM 2010
- 200%+ increase in Net profit or from -10% to +14%

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Sin #4 -No ROI of each producing Employee

- Return on Investment

Terry's business

- Manufacture staffing firm in business for 20 years.
- Unable to breakthrough $10MM revenue.
- Struggle to hire a VP of Sales.

Results of the Change

- Defined 15% ROI of each producing EE
- New VP of Sales expected to bring:
  - $5MM to breakeven
  - $7.5MM to have 15% ROI
- Result: $20MM+ in 2009

Sin #5-Unable to capitalize the “Know How”

- Maximize Intellectual Property

Dee's business

- Large financial advisor firm in business for 10 years.
- Unable to cover overhead of FREE service.
- Complex financial regulations.

Results of the Change

- Create 2 separate legal entities outside of industry regulation.
- Leverage existing processes to create a platform.
- 8 additional revenue sources.
- 5 market markers identified.
- Projection 150% increase of revenue.

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Build A Happy Medium

At the Crossroad of Money and Meaning.

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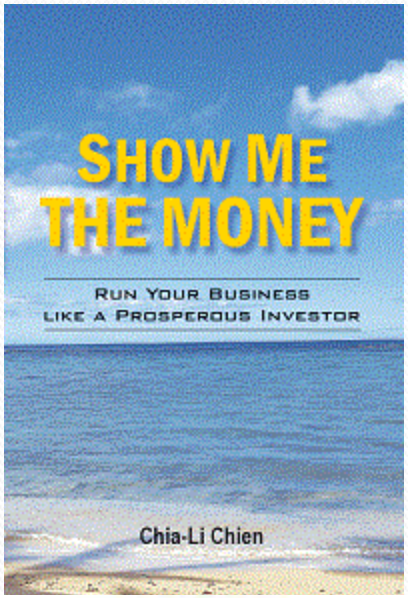
Q&A

Take an assessment!
http://conta.cc/cmF6dV

Thank You!



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