

SCALING UP
COACHES



Are You Ready to Scale Up Your Business?



A Four Decisions® Assessment Guide

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Every year millions of people start new ventures.

Of those that survive, **only 4% ever reach more than \$1 million in revenue.**

To get to these heights and beyond, your company must consistently make the right decision.

For the last two decades, we've helped more than **70,000** high-growth businesses scale these heights with a proven, 100% holistic solution. In this guide, we'll introduce our system and get you started on your quest to put a dent in the universe - **to take your business from a small handful of employees and grow it into an industry-dominating powerhouse.**

The Four Decisions® Every Business Must Get Right

The key to sustainable business growth is mastering the Four Decisions® every business leader must make:



PEOPLE

How can you attract and keep the right people?
This includes the right customers, advisors, employees, vendors, banks, lawyers, accountants, etc.



STRATEGY

How can you create a truly differentiated strategy that drives sustainable growth?



EXECUTION

What habits will your company adopt to eliminate drama, prevent employee burnout and generate 3x your industry's average profitability?



CASH

How can you maintain consistent sources of internally generated cash?

These decisions are at the center of our approach to scaling up. When teams implement our tools and techniques they often achieve these four outcomes:

- 1. Double the rate of cash flow**
- 2. Triple the industry average profitability**
- 3. Increase the valuation of their firm by 10x**
- 4. Help stakeholders - employees, customers, and shareholders - enjoy the climb**

Are you ready to scale up?

Think your company is ready for rapid growth and scaling? Then this guide is for you. The following information and worksheets will further explain each decision and help you assess your current level of mastery. Completing the work in these sheets will help you identify areas of strength and weakness in your company while preparing you for the road ahead. Once you know where you're going, our coaches are standing by to help your company take the next step in your scaling journey.





PEOPLE

Organizations are built and run on people. Before worrying about having the best product or service, you need to make sure you have the right people for the job. When you have the right people in the right roles doing the right thing, the execution is 80-90% solved.

When assessing your People decisions, the best place to start is at the top - your executive level team. As Scaling Up Certified Coach, Ann Ralston puts it:

If you don't have a cohesive team at the executive level the chances of you having a cohesive team overall is pretty slim.

That's where the Function Accountability Chart (or FACe) can help. It helps clarify who is accountable for what essential business processes and how that person will be held accountable for their performance.

At your next meeting, hand a copy of the chart to each senior executive. Have each one fill out who they believe is accountable for each role listed. If there are roles not included that are specific to your industry, fill those out as well. Then, compare your charts. You may be surprised by the differences that show up.

Next, ask yourselves these four questions:

1. Do any roles have more than one person?

- If so, that is a red flag. If two people are accountable then no one is accountable.
- "All of us" really means none of us.

2. Is anyone taking on significantly more roles than the others?

- If any executive is accountable for more than two areas, their performance will slip.

3. Are any seats empty?

- This is where you'll need to hire or rotate accountability.

4. Would you enthusiastically rehire the person in each given slot?

Once those questions are settled, you can assign appropriate Key Performance Indicators (KPI's) to each position. These should measure daily and weekly activities so that you can measure how productive everyone is on a regular basis (weekly, monthly, etc.)

Finally, pull out your most recent profit and loss sheet and balance sheet. Assign a person accountable for each line item and discuss the same 4 questions again for each item.

DOWNLOAD A COPY OF THE FUNCTION ACCOUNTABILITY CHART (FACe) TO GET STARTED TODAY





STRATEGY

The foundation of a successful business scaling strategy is figuring out your company's X-Factor. This is a 10x-100x underlying competitive advantage over your competition. But this can take a bit of work before you find it. It's usually invisible to customers, and it addresses a huge established choke point in your industry.

Your X-Factor is something your competitor can't do or won't do without great effort or expense. It can take years before you develop it because if it can be done cheaply, easily, or quickly, it will provide little to no competitive advantage. However, once you find it, it can be the basis for the vision of your entire organization.

Figuring out your differentiators and eventual X-factor means choosing how you go about delivering your products and services. The best exercise for getting in the right mindset for this decision is the SWT (Strengths, Weaknesses, Trends). Not to be confused with the SWOT (Strengths, Weaknesses, Opportunities, Threats), the SWT asks the senior leadership to think deeply and broadly about the inherent strengths, inherent weaknesses and emerging trends in the market that can affect your company's trajectory.

The goal of the exercise is to face the brutal facts of your current situation and the four to six trends that are most likely to shake up your industry and business soon. By being aware of your company's innate strengths and weaknesses you can focus on making the best plays given the hand your organization was dealt.

With the SWT, think about more than just the competitor down the street. Is there a company on the other side of the globe that might put you out of business? Is there a new technology that could change your industry overnight? These are the kinds of questions to explore now.

When you have a plan for how to deal with these trends or upcoming competitors you can have a plan in place for dealing with them and stay ahead of the competition. You may be able to sniff out new rivals before they have a chance to threaten your company's home turf.

DOWNLOAD A COPY OF THE STRENGTHS, WEAKNESSES, TRENDS (SWT) TO GET STARTED TODAY





EXECUTION

With the right people at your side and a killer strategy to dominate your market, it's time to make sure you have a plan for execution. Of course, this is much easier said than done, especially when you're a company trying to scale up. So how can you tell how well your company is doing?

The key question to ask yourself is whether all business processes are running without drama and driving industry-leading profitability. To answer it, use the Rockefeller Habits Checklist. This is a list of ten principles and associated habits lays out what your company needs to grow sustainably. This execution checklist isn't necessary to implement the habits and build a long-lasting organization. With a killer strategy and/or heroic employees willing to work 18 hour days, seven days a week you might be able to make up for sloppy execution and lack of discipline. But that's neither sustainable nor desirable for your or your employees.

There are three basic disciplines contained in the habits:

1. PRIORITIES

The company and everyone in it is focused and aligned with their (few) named priorities.

2. DATA

Qualitative and Quantitative data is being collected and used to fuel decision making. Leadership and middle management is engaged in weekly conversation with customers and employees.

3. MEETING RHYTHM

Daily, weekly, monthly, quarterly, and annual meetings are held to create space and time for teams to communicate, debate, and make important decisions.

The most important habit on the list is the first. Without a healthy, aligned executive team, ready to handle brutal truths and make sound decisions, none of the other habits can be implemented. However, the order in which you implement the rest doesn't matter. Just choose one or two of them per quarter based on where you'll get the most immediate benefit. In 2 to 3 years you'll have moved through all 10 habits.

For now, check off whatever habits are already in place at your company. Then, have a discussion with senior executives about which habit would be best to implement next. With consistency and persistence, your company will be in great shape for the scaling journey.

**DOWNLOAD A COPY OF THE ROCKEFELLER HABITS CHECKLIST
TO GET STARTED TODAY**





CASH

Growth sucks cash. It's the first law of entrepreneurial gravity. You can get by with subpar people, strategy, or execution, but you won't last a day without cash. As you begin your growth journey, ask yourself: Do you have consistent sources of cash? Are you generating it internally? Great companies have 3-10x more cash than their competitors. Cash reserves allow companies to weather economic storms and survive the expensive experiments that go into any growth process.

That's where the Cash Acceleration Strategies (CASH) worksheet can be most helpful. Its central concept is the Cash Conversion Cycle (CCC). It's a technical term describing how many days it takes for cash to cycle through your entire business model and back into your pocket. So, if your CCC is 21 days, it takes 21 days from the time you spend a dollar on anything before it comes back into the business via your bank account as cash. This number indicates how quickly your company can sustainably grow.

To improve this number, begin by asking your CFO to give you a modified cash flow statement every day detailing the cash that came in during the last 24 hours, the cash that flowed out, and some idea of how cash is looking over the next 30 to 90 days. Chart it against your accounts receivable (AR) and accounts payable (AP) weekly. This should give you an idea of how long the CCC takes.

Then, examine the four components of the CCC:

- 1. Sales Cycle**
- 2. Make/Production Cycle**
- 3. Delivery Cycle**
- 4. Billing and Payment Cycle**

For each component, come up with 3-5 ideas for how you can improve these cycles by doing one or more of the following:

- 1. Shorten Cycle Times**
- 2. Eliminate Mistakes**
- 3. Change the Business Model**
- 4. Think outside the box. Stop saying, "Well, this is just the way it is in our industry."**

To help get you going, here are a few areas of opportunity to consider:

Ask if you want to get paid sooner

Give value back to customers who pay on time or in advance

Shorten delivery cycles for your product or service

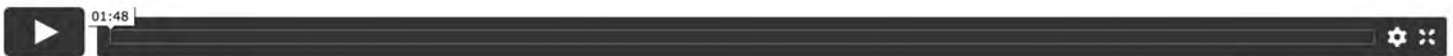
Obtain recurring credit card authorization

DOWNLOAD A COPY OF THE CASH ACCELERATION STRATEGIES (CASH) TO GET STARTED TODAY



SCALING UP

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Scaling a business is a complex endeavor. To succeed you need the right tools and techniques. As a leader of your organization, you can drive the implementation of these habits. If you and your team embrace coaching, learning, and new technologies you can accelerate the implementation of our scaling tools and reach your ambitious growth goals.

Remember: Goals without routines are wishes; Routines without goals are aimless. The most successful business leaders have a clear vision and the disciplines (routines) to make it a reality. Routine is what sets you free. Keep this in mind as you begin your scaling journey.

Think of it like climbing a mountain. If you want to summit the Mount Everest of scaling your business, you need to make the mastery of the Four Decisions® a habit. That means creating a plan with inviolable rules and a passion for the journey. Mastery of the Four Decisions® helps you navigate the ever-changing landscape of the marketplace. By following our program and implementing the Rockefeller Habits, you too can reach the top of your company's own mountain.

LET OUR EXPERTS

SHOW YOU THE WAY

"Growth Tools created by Scaling Up, a Gazelle's Company. To download the full suite of tools, visit scalingup.com. For a more in-depth study of the Scaling Up Methodology, we recommend you read the book [Scaling Up, Mastering the Rockefeller Habits 2.0](#) by Verne Harnish"

