

The 10-P's of Building a Successful Business

By Chuck Boles
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When most owners of small businesses are asked "**What's the Number One reason you're in business?**" their response is usually "**Why, to make money, Of Course!**"

Yes, making money is important, but the ultimate importance of owning a business is to "**build a business asset that you can sell.**" In other words, having the ability to convert your business practice into an annuity in the event you're immobilized, want to move into another career, or want to retire.

Building a salable business an easy process which begins with the mindset of **NOT** becoming:

- A "Transaction-to-Transaction" business owner that Solely focuses on cash flow.

The process works when one commits to understanding and practicing the 10-P's of building a successful business.

Why 10-P's? For years I've had the privilege of working with business owners who've successfully built and sold business practices. In doing so, I've witnessed that successful business owners instinctively keep certain "forces in motion"; forces that I've titled "**The 10-P's of Building a Successful Business!**"

With 30+ years' experience as a business owner and asset transfer counselor, I am a passionate about seeing businesses succeed! As a business consultant, I have found much pleasure in seeing my 10 P's help business owners successfully grow their businesses. So, I write this article to share a few comments and questions about each P in hopes it will also help the reader build a successful business.

So, here goes!

1. PRODUCT: What exactly is your product?

- It's YOU, of course! Not only the physical you, but more importantly, the core values, wisdom, and skills you represent as a person and professional business owner. YOU, WHO YOU ARE, & THE VALUES YOU LIVE BY! That's what your clients are ultimately attracted too.....it's what forms the foundation for long lasting & loyal business relationships!

2. PROMOTION: *"He who sets in a well & whispers isn't so apt to make the dollars as He who sets in a tree and hollers!"*

- How exactly do you promote your business? What's your 'Hook'? Who's your target market? What's your follow-up strategies? Do you have a marketing plan? A marketing budget? Is your brand easy to remember? Where does your business come from? What percentage is referrals? Repeats? Personal clients versus Business clients? Are you becoming a "household brand"? If not.....why not?

3. PRODUCTION: This is where the "rubber hits the road" as nothing happens until a sale is made!

- How big and long is your pipeline of prospects? To increase production, are you branching out into other areas of opportunity? Are you beginning to hire independent contractors to work for you? What are your production goals? Have you out-grown certain segments of your clientele? If so, are you referring them out for a referral fee? What's your production goal this year? Next year?

4. PROCESSING: YUCK! Paperwork....QuickBooks™.....Maintaining client data bases.....more YUCK!

- Abe Lincoln said *"If I have 7 hours to chop down a tree, I'll use the first 6 sharpening my axe."* It's all about preparation and having details in order. Successful business owners always rely on having their administrative and financial details in order. Good data helps the owner steer the business in the right direction.

5. PROFITS: The road less traveled!

- Profits fuel the growth of your business and profits are the only thing that will sustain your business over the long haul. **Period!** Also, when you plan to (or need to) sell your business, validating a profit history is critical to attracting a motivated buyer. Why? Buyers seek and pay top dollar for profitable businesses.

6. PROTECTION: Building business security and personal wealth!

- Unfortunately, too many business owners live paycheck-to-paycheck, using all their business income to support their lifestyle. Sound business practices recommend having a minimum cash reserve of 3-6 months operating capital to sustain your business and lifestyle through periods of downturns. The key question is: *"Can you faithfully meet all your business & lifestyle obligations at 'full steam' for 3 to 6 months without any income?"*

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7. **PROFESSIONAL & PERSONAL DEVELOPMENT: Staying at the "Top of Your Game"!**
 - This goes beyond attending industry functions and achieving designations as the latter goes with the territory of being a business owner. It also means developing and sharpening the skills necessary to operating a successful business. When was the last time you took a business course or earned a professional designation? Are you active in your local Chamber of Commerce? Need I say more?
8. **PERSERVERANCE: The Passion to be a long term success!**
 - Consumers are more likely to do business with businesses that have long track records. They like to deal with proven winners! Also, buyers of businesses are attracted to businesses that have long track records of performance in given markets.
9. **PORTABILITY: Being ready, at all times, to Pass the Torch to a new owner.**
 - How portable is your business? Do you know its current estimated market worth? If you became immobile today and had to sell your business, what price tag would you place on it? Dealing with the uncertainties of life, successful business owners always know the estimated worth of their business.
10. **PROSPERITY: The End-Of-Game Paycheck!**
 - The ultimate goal of building a successful business is all about converting it into an end-of-career paycheck. That means being able to price, package, promote and sell your business to another practitioner possessing values similar to yours.
Bottom line: *Do you know how to price, package, promote, and sell your business? Have you identified an "Heir Apparent"?*

In Summary:

The 10-P Business Cycle: *Product* needs *Promotion* to create *Production* which requires *Processing* to define *Profits* to create financial *Protection* and fund *Professional & Personal Development* to insure *Perseverance* which, in turn, increases business *Portability* for end-of-game *Prosperity*.

A perfect world sees business owners building successful businesses that are "recycled" to other business owners. Such a world would benefit your industry, your practitioners, and your consumers.....right?

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P.S. Need I say more? If so, contact me, OK?