

ASSESS

Find your WHY

We often ask clients, 'Why do you do what you do?' And often, the initial answer is 'to make money'. Making money is *never* the ultimate answer. In the end, what the money will give you is the answer. Money drives the ability to fulfil desired experiences and feelings. All our future goals, needs and wants are about having good experiences and feelings.

Businesses that know their why are much more successful. If you know why you want what you want, you are much more enthusiastic about and emotionally involved in what you're doing. Business means more than just turning up every day. Drive and nurture your business with purpose.

Once you know your why, you will be able to make decisions with clarity and allow others to support you. It provides motivation in troubled times. So, what is your why? Ask yourself why you do what you do, and you will undoubtedly surprise yourself.

Know thy partners

As well as knowing your own why, you should ensure your why is congruent with your business partners'. Too often we see people going into business together only to find that their goals and plans for the running of the business are incompatible, which will only cause further issues down the line. Discuss your opinions, your values and your why with your partners ideally before you go into business together, or as soon as possible after.

Build your business on your WHY

Your business why should be to create value for your customers in a way that is congruent with your personal why. For example, my goal is to help transform people's lives, create opportunities for hope, and motivate people. I do these things through the vehicle of my business, which helps my customers (entrepreneurs) do that. In a sense, I'm one step removed from the end goal. I help more people by helping people to help themselves.

Why does your business exist?

Your business should always exist to create value for somebody else (your customer), otherwise it's pointless, as nobody would have any need to use your product or service. You need to determine what you're passionate about, as that passion will be necessary to make your business work. Take a blank piece of paper and a pen and delve into your own experiences and feelings; work out what you really want to do.

Once you have your business why, you can build teams and economics around it. Rooting your business why in your personal why will produce results. Your business why needs to be defined on day 1, so if you haven't done it yet, then today is day 1.

Alongside your business why, you should also work out individual value propositions for each service or product that you sell.

The three-step method to simplify this is:

1. Identify your customer's problem, digging deep and extracting as many related problems as you can, to complete the picture for your customer. Most initial problems have many sub-problems related to the headline problem. Ask yourself what the consequence of the problem is. The best way to do this is to ask your prospects/ customers – you need their take on the problem. Ask questions like 'If you had a magic wand, what would you do to transform your business?' When you receive the answers, delve deeper, to find out what the consequences of these problems are. This point is so often ignored, but if you don't know the full extent of the problems you can't solve all the problems or assess the true value of what your solution is worth.
2. Having identified your customer's problems, you can now identify the problem-solving benefits of your product or service. You can also ensure you have solved all the problems.
3. You can then assign a value to solving the problems and decide what would be an appropriate value-based price from the customer's perspective. The more unique your solution, the higher the value.

The critical factor in all the above is that you offer relevant products and services that solve problems for your customers in a way that is as different as possible from any potential competitors.

What is your vision?

Wikipedia defines a vision statement as follows:

'A vision statement is a company's road map, indicating both what the company wants to become and guiding transformational initiatives by setting a defined direction for the company's growth.'

Few successful businesses can run without vision – and without a why. How will you know what decisions to make for your business if the vision isn't clear? It's a bit like expecting to successfully cross the Sahara desert blindfolded. Realistically, what chance would you have?

Is the business plan sustainable?

Before you start to develop your business, you need to know if you can make it work from a financial point of view. You may have the noblest business why in the world, but it still needs to work within the constraints of your economic limits. Will it create value for others? Will it be sustainable? Will it fulfill your lifestyle needs?

According to the Office for National Statistics (November 2017), only 44.1% of businesses that started in 2011 survived five years. This means most businesses fail and close within a few years, and quite a few of those that are still alive five years down the line are struggling to get by. When starting a business you probably aspire to do more than just survive.

Whether you're about to start or have already put your ideas into action, do a reality check.

You need to develop a financial plan to make sure your idea is credible. Consider the following:

- Will the business create value for people? (this is the big one)
- Are there enough potential customers?
- Can you monetise the value into a price?
- What are the costs of production or servicing your customers?
- How many units can you sell now? What is the forecast for the future?
- What are your team costs likely to be? Could you outsource? How much is that likely to be?
- What are the unit costs likely to be, including delivery to the customer?
- Do you need an office/factory? What are the overheads?
- What are the likely personal returns?
- What taxes will need to be paid?

The above list is the bare minimum you need to consider when determining if your idea has a future. It could also be used to predict your financial requirements.

Set the business goals

Let's assume you have the skills and the finances to be successful but no effective goals. What will happen? You will most likely create a business that is random and unproductive.

Along with the skills and finances, you need goals and belief. Goals and beliefs keep you on track and give you the power to succeed.

You may be familiar with the SMART goal concept. Indeed, SMART goals get the thumbs-up in several research studies.

S – must be specific

M – must be measurable

A – must be attainable

R – must be relevant to you **T** – must be time bound

An adviser is critical

Research shows that businesses that have strong relationships with qualified professional advisers are much more likely to succeed. By outlining your vision and goals to a third party, you become accountable, and will therefore strive to achieve the targets that you've set. If you have an adviser, you will also benefit from a third-party viewpoint.

A different viewpoint

It's easy to become so heavily involved in the day-to-day workings of your business that you get sucked into doing the wrong things rather than keeping on track with your ultimate goals. For example, it's all too easy to be busy doing non-strategic technical tasks and wasting valuable time that could be spent on strategic tasks. At the beginning of the relationship with your adviser, you should meet regularly and have an agenda to ensure you create and stick to an appropriate plan for your success.

Your Task List

- Find out WHY you want to run or start this business
- Find out your partners' WHY, discuss your differences
- Clarify your customers' needs and struggles, and make sure your business can solve their problems
- Establish your vision
- Create SMART business goals
- Make sure your business is sustainable
- Get a third party business adviser that can keep you accountable and provide a different viewpoint

Don't forget, you can always talk to one of our expert advisers who will be able to help you move forward with your vision. Book a [Discovery Call](#) today.