



A Division of ATAXZ Accountants

A background image of a businessman in a dark suit and tie, holding a pen in his right hand. The image is semi-transparent, allowing a cityscape and a white line graph to be seen through it. The graph shows an upward trend with several arrows pointing upwards.

# 7 WAYS TO GROW YOUR BUSINESS



By Alex Zilionis

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IF YOU WANT SOMETHING YOU'VE  
NEVER HAD, YOU MUST BE  
WILLING TO DO SOMETHING  
YOU'VE NEVER DONE

Thomas Jefferson

# TRAPPED IN YOUR BUSINESS?

Many small business owners feel like slaves to their business - they know they ought to be running the business and not the other way around, yet they feel out of control.

## Why does this happen?

The reality is that most of business people run their business by a combination of things they know by assumption or what has been handed down as the traditional way to run a business. They lack the most effective knowledge and practices for business success.

What if parents let their children find out how to become responsible adults through experimentation, how many children would become model citizens? Because there would be few, that is why parents are intentional about teaching their children. The same applies to business.

There is no doubt that you are the absolute expert at the technical aspects of your businesses. But what about understanding your numbers, managing your cash flow, developing a Business Plan and leading your team a bit better?

Although successful businesses are all around us, the knowledge of how to run one is not commonplace. You still need someone trustworthy to teach you aspects of business you do not know; a person with the objectivity to see what you do not and the skills to teach you what to do.

## What is the biggest problem in most businesses?

The simple answer is FTI.

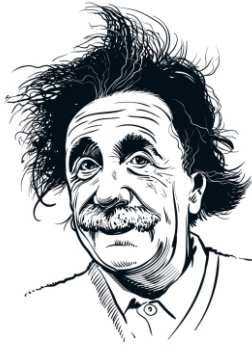
...FAILURE TO IMPLEMENT

This little book will start you on the process you need to go beyond just thinking it to actually doing it

Remember: your business is there to serve you - not the other way around. And by solving FTI, you will make it serve you.



## AVOID INSANITY



“INSANITY IS DOING THE SAME THING,  
OVER AND OVER AGAIN, BUT  
EXPECTING DIFFERENT RESULTS.”

Albert Einstein

We all know the popular saying by Albert Einstein. It means that the way to have a better year is to do something different in your business. What do you need to do differently this year to succeed?

Whatever your answer, there are four ways that you can react to what you will read in this book.

- **Do Nothing:** Simply take no action.
- **Retreat:** Try something different and then give up because it did not work fast enough
- **Take Normal Amounts of Action:** Implement at your level of comfort to make just a little progress
- **Take Massive Amounts of Action:** Act intentionally by giving what it takes to control the business and make it serve you.

### It is Possible

It is easy to get bogged down in your struggles and begin to think that is how business should be. Your business can be better; others businesses have improved their outcomes by adopting more effective methods and you can do it too.

But in order to change your results, you must reset your thinking to reflect the five A's of change.

## The Five A's of Change

- **Awareness:** Conduct an honest assessment of your business: where are you, where do you want to be and what do you need to do to get there?
- **Acceptance:** Embrace what you must do to grow your business today.
- **Action:** Create a **\*SMART** action plan to reach your goals.
- **Accountability:** Understand you need someone independent to always hold you to account.
- **Acknowledgement:** Recognize wrong habits, practices and attitudes that hold you back.

**\*SMART** goals are **S**pecific, **M**easurable, **A**ttainable, **R**ealistic, and **T**imely.



## GETTING FROM A TO B - YOUR ROADMAP



**QUESTION:** If you want to get to Wellington, which direction do you travel?

Think about it...

**ANSWER:** It depends on where you are.

Unless you know where you are, how can you know which way to go? Where you are right now is your POINT A.

What is your business' POINT A?

What should be your POINT B?

Bearing in mind that your business is there to serve you, ask yourself what you want to have. How many hours do you want to work? What is your cash flow target? How much profit are you making and how much do you want to make? Do you want to go on holiday?

These are important questions to answer in order to develop an accurate roadmap to where you want to be. It is based on your answers that you can draw up an appropriate plan and budget to get you to the destination.

## Getting From A to B - Your plan

Having determined what you want to have and where you want to be, the next phase is to develop your one page Business Plan. This plan should cover:

- Your core purpose
- Your target customers
- The numbers you must achieve to get what you want
- The main projects you need to put in place to achieve your goal.

To develop a business plan that actually helps you arrive at your desired outcome, you need someone independent to create and also hold you accountable to the plan.



## Getting From A to B - Your budget

What numbers do you need to achieve to get what you want?

First create a high level budget, based on what you want to have, and then with your eyes on the targeted profit, develop this into greater detail to determine the monthly targets you need to meet to achieve your goals for the year. It is from these that you can work out your monthly forecasts.

The forecast tells you where you need to be moment-by-moment, to keep on track to reach your goals. You can easily create these forecasts yourself, but it may appear difficult at first; we can teach you simple ways to do it and practical methods for staying on track.





## YOUR DASHBOARD

Just like your car dashboard, your business' dashboard tells you how fast or slow you are going; whether you have enough fuel, oil, and water. It also tells you if you can make it to your destination on time at your current speed.

It is what is referred to as KPIs or Key Performance Indicators: a small number of things that tell you if you are on-track or off-track in relation to your plan. What should be the four or five most important measures you should have on your dashboard? These may be a bit different for every business.

KPIs for a manufacturer might be:

- Gross profit percentage
- Cost of rework
- Work in progress days
- Debtor days

For a retailer, they might be:

- Sales
- Gross profit percentage
- Average client spend
- Transaction frequency

Whatever the top 4-5 are, they **MUST** be captured and reported on a regular basis.



## ENGAGE A CO-DRIVER

To make the most of your KPIs, you need a qualified business coach: a co-driver who will hold you accountable to your commitments.

They have to be independent of your business, to maintain objectivity.

There must be consequences when you fail to follow your plans, or you will have the same level of commitment as you do to optional homework.



# THE 7 WAYS TO GROW YOUR BUSINESS

Now that you have laid the groundwork for success by developing a plan, setting out your KPIs and getting an independent coach, let us see the seven strategies to realising sustained business growth.

## # 1: Increase Customer Retention Rate

Businesses are constantly looking for new customers but it is six times easier and cheaper to make sales to existing customers than to new customers. To do this, you must follow the FGG principle; the trusted way to delight customers and make them want to come back.

- F: Find out what they want
- G: Go get it
- G: Give it to them!

**Customer retention strategies:** loyalty programmes, customer surveys, after sales follow-up and social activities.

## # 2: Generate More Leads

How do customers come to your business? When you know how customers find you, it is easier to know how to improve the process. This information can be found in your marketing funnel and includes:

- Defining your target market
- Differentiating between a suspect, lead, prospect, customer, loyal customer and advocate?
- Understanding the sales phase
- Building good Customer Relationship Management (CRM) systems

**Lead generation strategies:** attend events, network, newsletters, strategic alliances, website and blogs.



### # 3: Increase Conversion Rate

This is how good you are at taking people from enquiring about your business to where they make an actual purchase.

How many sales do you make versus proposals delivered and sales meetings held. Why are you not converting more? Are you meeting with the right people? Do you have the right people in your sales process?

**Conversion strategies:** create a follow-up system, conduct sales training, offer guarantees.



### # 4: Increase Transaction Frequency

As mentioned earlier, your business achieves greater mileage when it focuses on increasing sales to existing customers rather than trying to attract new customers - it is six times easier and cheaper.

**Transaction frequency strategies:** newsletters, special offers, loyalty events in a social / no obligations environment, using reminders, introducing VIP / membership cards.



### # 5: Increase Transaction Value

In addition to getting current customers to buy more often, you also want to increase the amount they spend each time they buy. Not necessarily by increasing prices but by looking for ways to add more value.

You do this by understanding customers' needs and suggesting additional purchases that will enhance their experience with what they have already bought. Just like the restaurant that asks Would you like fries with that?

**Transaction value strategies:** four for the price of three, only offer discounts on add-on sales, up-selling, proposals with options.

## # 6: Reduce Variable Cost

Variable costs go up as sales increase. These include salespersons commissions, delivery costs, as well as what you pay to suppliers. By reducing waste and renegotiating terms, you can cut variable costs substantially without affecting quality.

**Variable cost strategies:** renegotiate supplier terms, offer early payment discount, reduce rework / wastage, better systems, record time / materials better

## # 7: Reduce Overheads

The final way to grow your business is to reduce your overheads. Overheads are fixed costs, like rent, buildings, machinery, and loan interest payments. How often do you review your overheads? This should be done annually to avoid fixed cost creep.

**Overhead reduction strategies:** List all Aps and review them annually, negotiate better terms (Power, Bank interest, computer support, consultants, etc)



## TYING IT ALL TOGETHER

To get your business where it serves you and not you serve it, you need to tie all of these into a cohesive strategy that will guide your every decision, action and accelerate your progress toward success.

A vital step to achieving this is to hire an accountant who will not be a cost but a strategic partner.

This individual will help you to save more in taxes, and grow the business to the point where what you pay them for their services becomes an investment rather than a cost.

This person will help you understand how small changes create big impacts on profit; by employing a comprehensive strategy that employs business plans, KPIs and the 7 ways to grow your business.

Their approach will do more than just hand out theories but will incorporate a step-by-step process that uncovers the root of problems and also devises solutions to them.



## HOW WE CAN HELP YOU

By helping you get the best practices into your business, we break the shackles and free you from being a slave to your business.

Our hands-on, one-on-one approach does the following:

- Create Clarity on business goals
- Articulate \*SMART goals
- Define prioritised actions
- Build your confidence
- Set aside an initial 90 day-period to overcome vulnerabilities and challenges in your business
- Deploy tight accountability that keeps you on track

Furthermore, we give you a choice of what aspects of the program appeal to you most. So that you can customize the program to your needs.

\*SMART goals are **S**pecific, **M**easurable, **A**ttainable, **R**ealistic, and **T**imely.



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QUESTIONS

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