



Unit 14 How to Grow Your Business

Learning Outcomes

By the end of this unit the learner will be able to:

- ✓ Launch and grow your business
- ✓ Demonstrate the behaviors of an entrepreneurial leader
- ✓ Find appropriate resources to help you on your journey

Unit 14

Being an Entrepreneurial Leader

Michael Gerber's Three Perspectives

The Three Perspectives

Michael Gerber, author of *The E-Myth* series, says, "Most entrepreneurs fail because you are working in your business rather than on your business." He describes entrepreneurs as having three distinct perspectives. Although these perspectives often clash, they are all necessary for a successful business.

The Entrepreneur

This is the part of you that wanted to start the business. The entrepreneur is always asking, "What if?" They are focused on innovation, invention, and big dreams. Their goal is to make money and make a difference. They thrive on change and like to be able to lead others into their vision of the future. Without the entrepreneur, the business would not exist.

The Manager

This is the systematic, organized part of the entrepreneur. They thrive on making plans, cleaning up, and maintaining order. The manager is practical, pragmatic, and systematic. Without the manager, the business would not function day to day.

The Technician

This is the part of the entrepreneur who has the passion for the task at hand. This is the dedicated baker, the talented carpenter, or the brilliant scientist. They like to focus on the work at hand and hate being interrupted by the manager's planning or the entrepreneur's crazy dreams. Without the technician, the business would have nothing to sell.

Identifying the Activities

Gerber suggests writing down the activities of your business and classifying them by each of the perspectives:

- Ñ **E** stands for entrepreneurial activities. These are the things that you should be doing to move your business forward.
- Ñ **M** stands for managerial activities. These are the things that keep your business moving on a daily basis, like paying the bills, hiring and mentoring staff, and making sure that work gets done.
- Ñ **T** stands for technician activities. These are the things that create the business' products and services, like making cookies, writing computer programs, or designing dresses.

Working It Out

When you begin your business, you will probably be wearing all three hats. However, your goal should be to eventually focus on the entrepreneurial activities. By delegating the day-to-day responsibilities, you will have more time and energy to invent, create, and do the things that will transform your small business into a money-making enterprise.

Think of some people who have excelled at focusing on entrepreneurial activities and growing their business to tremendous levels.

Case Study

Six months ago, June Jones started a catering business. It’s been successful beyond her most optimistic predictions! However, she is putting in a lot of hours and knows she needs to hire some staff. (She has some contracted wait staff, but that’s all.)

Right now, most days look like this:

- Ñ Morning: Pay bills, answer customer inquiries, and arrange for deliveries and supplies
- Ñ Afternoon: Preparation and cooking for evening bookings
- Ñ Evening: Oversee service and check in with clients

June would really like to find some time to develop some new offerings and enhance the menu, but there just isn’t enough time in the day.

Activity

List all of June’s activities and categorize them as belonging to the entrepreneur, manager, or technician.

Activity	Entrepreneur, Manager, or Technician?

Bringing It All Together

Checklist for Success

Review the checklist below and customize it to reflect your business idea. You can answer the questions if you like, although the checklist will require additional work after the course.

Entrepreneurial Traits

Let's look back at the pre-assignment. Which qualities do you want to develop?

	I have this quality and it does not need work.	I don't have this quality and want to work on it.	I am not interested in developing this quality.
I like to take risks.			
I focus on opportunities instead of problems.			
I like to get things done.			
I am enthusiastic.			
I don't mind asking for help when I need it.			

	I have this quality and it does not need work.	I don't have this quality and want to work on it.	I am not interested in developing this quality.
I always have big ideas.			
I don't mind putting in hard work and long days.			
I like being in control.			
I know what I am passionate about.			
I enjoy working with others.			

Resources to Consider

What resources do you already have at your disposal?

What resources might you want to seek out?

Business Groundwork

What am I good at?

What other skills do I have?

What can I make money at?

What problems exist?

What will my core product be?

What will be the problem statement for each product?

What will each product's functional and non-functional requirements be?

Product	Functional Requirements	Non-Functional Requirements

What user stories can I create?

What will the features and benefits of each product be?

Product	Features	Benefits

Prospect		
Qualified Lead		
Committed Lead		
Customer		
Total Average Length of Sales Process		

What sales metrics will I need to gather?

Develop daily, weekly, monthly, and yearly sales estimates.

Daily

Monthly

Yearly

Develop weekly, monthly, and yearly expense estimates.

Weekly

Monthly

Yearly

Calculate your gross profit and operating margins.

Calculate head count per client.

Business Ownership Options

I will have a:

- Sole proprietorship
- Partnership
- Corporation
- Joint venture
- Franchise
- Subsidiary
- Other: _____

Key Documents

I have prepared a:

- Business plan
- Executive summary

- Ñ Pitch deck
- Ñ 30 second pitch
- Ñ White paper(s)
- Ñ Other: _____

Business Funding

How much money will I need to start my business?

What financing sources will I use?

What government agencies can I contact for help?

Product Development

What will each step of the product development process look like for each product?

Idea Development

Planning

Design

Beta and Quality Testing

Limited Production and Quality Testing

Full Production, Quality Checks, and Product Release

Intellectual Property

Verify that your business name, domain name, product name, etc., are not registered to anyone else or copyrighted.

What elements of my business might I want to copyright, trademark, or patent?

Am I protected in employee and contractor agreements?

Sales and Marketing

What will each phase of the marketing cycle include?

Consumer and Market Analysis

Analyzing the Competition and Yourself

Analyzing Distribution Channels

Creating a Marketing Plan

Implementing the Plan

Reviewing and Revising

Outline each aspect of your marketing plan for each product.

Product	Price	Place	Promotion	Packaging

How will your marketing plan position your product?

What social media strategies will you use?

Will you hire product or sales specialists for your sales team?

Branding

What will your company name be?

What will your product/service name(s) be?

Describe the slogan for your company and each product/service.

Company

Product/Service One

Product/Service Two

Sketch out the logo for your company and each product/service.

Company

Product/Service One

Product/Service Two

Choosing a Location

Will you need office, production, delivery, and/or storage space?

What locations are you considering?

Will a home-based business work for you?

What research do you need to do?

What help, if any, will you need?

Will your business allow you to be a roaming entrepreneur?

Getting Off the Ground

What activities will you perform before your business opens?

What activities will you perform during your launch period?

What activities will you perform after the launch?

Setting Up Your Organizational Chart

Sketch out your organizational chart as it will look right now.

Sketch out your organizational chart as it will look in six months (if everything goes according to plan).

Keeping Track of Your Business

What metrics will you need to keep track of?

What red flags will indicate that the business is in trouble?

What are your options for growing the business?

Where can you turn for help and support?

Entrepreneurial Leadership Characteristics

What entrepreneurial leadership characteristics do you currently have?

What entrepreneurial leadership characteristics do you want to develop?

What activities will you be performing when the business opens?

Categorize each activity as belonging to the entrepreneur, manager, or technician.

Activity	Entrepreneur, Manager, or Technician?

Further Reading:

- ✓ *Gitomer, Jeffery. Little Black Book of Connections: 6.5 Assets for Networking Your Way to Rich Relationships . Bard Press, 2006.*
- ✓ *—. The Sales Bible. Wiley, 2003.*
- ✓ *Godin, Seth. Linchpin. Portfolio Hardcover, 2010.*