Daniel Hall Presents

Episode 107

Overcome the Chaos of Business & Streamline Profits by Implementing Simple Processes

With Scott Beebe

Welcome to the Real Fast Results podcast! This episode should be very useful to you, regardless of the type of business you have. Most people have to have systems and processes in place that allow them to stay consistent each day in their business. Today's special guest, Scott Beebe, does a great job explaining how to systematize business processes, and he is well-qualified to do so. Scott is the founder and head coach over at MyBusinessOnPurpose.com. He's also the host of the "My Business on Purpose" podcast.

Probably the best part of all of this is that Scott is going to show you processes that allow you to work *on* your business instead of *in* your business. As a matter of fact, he created "The Four Steps to Business Freedom," which is a six-month group coaching experience that was exclusively built for small business owners. Scott defines that a small business as one that has under 25 employees and less than 25,000,000 in revenue. The program guides business owners in building the systems and processes they need to get their businesses, and lives, back on track. He would like to share some of his expertise in this area with you today. Please welcome Scott to the show…

Promise: How to Fix Common Problems Small Business Owners Face

I would say that the majority of the folks that we have the privilege of interacting with, which we call heroic small business owners, we have found that if you were to line up 20 of them, 16 of

them are really, really struggling. You've probably heard the saying, "The emperor has no clothes." Metaphorically, these 16 business owners who are struggling have no clothes, but they are too afraid to come ask about it.

The reason why we call these business owners heroes is because, by definition, a hero is someone who makes a brave decision and then takes courageous action. When you start a small business, that's essentially what you're doing. So, if you're a small business owner, you feel like you're in chaos, pulled in 17 directions, constantly putting out fires, and feel like you're on a treadmill, and like you're working in your business, not on your business, this is the place for you to be. **I am going to show you step-by-step, methodically how to fix these problems.**

We might hype you up a little bit, but usually we like to punch hype in the mouth because we want tools that work. Then we want to kick you in the rear end to make sure that you get them done. So, if you want that, and you want to put in the work that it takes, then you're definitely in the right place.

We are going to talk about the reality of "vision/mission values," as a foundation, and literally, how you can build those. From there, how we're going to create a process roadmap so that you can see all of your processes in your business on one sheet of paper. Once you get that clarity, then you can begin moving step-by-step in leading other people to help you get that business down the road.

Again, so many small business owners are being owned by their businesses. I know that sound cliché, but in reality, it's true. They wake up on Monday. **We tell people that Monday is our favorite day of the week because it's the first day that we get to go liberate small business owners from chaos.** That's what drives us. We love it! So, we look forward to Mondays, whereas we realize that most small business owners despise Mondays because they realize it's the first day of the week, and they have to hop back on the treadmill, and if they get off, their results are going to go down. That's because they are directly responsible for them.

So, we are trying to show small business owners that this isn't magic. We don't sprinkle pixie dust, and all of the sudden you go from working in your business to working on your business. Your thighs are going to burn because it's hard work, but we also let physics take over.

If you can take talent, an understanding of the market, and so forth, and bring a process in alongside of that, and begin working the process, all of the sudden, physics will take over. Just like gravity will bring a ball or an airplane to the ground, guess what will happen once you get these processes in place? That is going to start happening, and gravity is going to take you to a place where success will follow.

Step # 1 - Your Vision

There are a couple of things… When we talk about the four steps to business freedom, we lay it out this way. **The first step is what we call "The Fast-Start Foundation". That's where we are going to dig into the "vision story".** Now, this is not a paragraph sitting in a plaque on the wall when you walk into a business that says, "Hey, we want to be filled with love and save the whole world…" This is a 2-6 page, detailed document, which is really a detailed snapshot of the future of your business.

The proverb is true. **When there is no vision, people scatter, but where there is vision, people tend to run toward the vision, or they run away from it.** It's just so clear that people aren't really interested. If I drove up to you and said, "Hey, hop in the car." Your first question would be, "Where are we going?" That's a vision question. No offense to people who live in Des Moines, Iowa, you'd be like, "Eh," but if I told you we were going to the Super Bowl, you'd be like, "I'm in! I'd love to go!"

So, a vision will catalyze people either way. It will either push them towards what you're doing or push them away from what you're doing. We have to start there. It's the starting point for everything. So, we talk about vision, and we actually create a delegation roadmap. First, the vision story that we create runs in seven categories, and they are:

- Term (months/years) – How far out is your vision?
- Family/Freedom – What do you want for your family, and what do you want for your own personal freedom?
- Financials – We start with "Profit". We don't start with "Total Revenue" because that's kind of irrelevant. Now, you need the revenue numbers, and your CPAs will particularly like to have the revenue numbers, but we're really interested in profit. So, in order to get to reach your Family/Freedom goals, what do your financials need to be?
- Product/Service – In order to get the financial aspects of your business together, you've got to detail out the product. What product or service are we going to use to get us the financial success which will help us reach our goals?
- Personnel – What does the team need to look like, to build and maintain that product or service?
- Client Type/Customer – What type of client do you need to consume your client or service?
- Culture – What kind of culture do you want to build while you're taking this company or business to the next level or towards your end target?

Those are the things that we have to start thinking about. That's the vision. Then we dive into the delegation roadmap, and that's where we get everything that's in the business owner's head out on one sheet of paper. And, in its entirety, so much so that if you're taking out the trash, we want that on the sheet of paper. We want to know exactly what you're doing so that we can tie time to it and monetize that time, at a minimum of $200 per hour for a business owner's time.

All of the sudden, you see how much time your spending. We just saw someone this morning, who is a guy who owns a landscaping/architecture firm, and we found that he spends 80 hours a month reviewing payables. Reviewing bills! As the owner of the business, we monetized it, and right now he's spending $16,000 a month doing nothing but making sure that he collects on

about $4,000 a month. It's totally upside down. So, what we're going to do is take that delegation roadmap and delegate that to a piece of software. You see? You don't even always have to delegate it to a human being all the time.

Once we have your vision, and we know what you need to get off of your plate, we set up your accounting structure under the "Profit First" methodology, by Mick Michalowicz and what they say the setup is. That way, we know that you're profitable, and then we help you to dive into team meetings because, you have a vision, but if you don't have any team meetings, you have no means to communicate it. Those are the only two diagnostic questions we ask our small business owners. 1) Do you have a vision? And, usually the answer is "No." And, 2) Do you have a means of communication with team meetings? Typically, the answer is, "Um, kind of, maybe, sort of," which means "No."

We lay all of that out within the context of a non-negotiable weekly schedule, and that's what gets people kicked off with that first step to the "Four Steps to Business Freedom". Let me pause there before I go to the second step.

Is There a Fast Way to Get All of This Down on Paper?

Yeah, absolutely. There are a lot of guys that have lead magnets, and giveaways, and things like that. **What we decided to do was take our real-life vision template that we use in our own coaching, with a tutorial that we use in our own coaching, and that's what we give away.** We are so serious about that, if you want to go get it, it's all yours, but you have to provide the sweat. We can't do that for you. You have to provide the implementation.

There's a very simplistic way of doing this, in terms of methodology, but it's challenging in terms of time. In the first place you have to start is with your calendar. You have to sit down with your calendar and say, "I'm going to block out one hour. It's got to be a deep work, focused block of time. I'm going to sit down and really dive in on the vision story, starting there."

You can find the template and tutorial at MyBusinessOnPurpose.com/vision. I made it super-simple. All you have to do is give an email and sweat. If you're willing to do those two things, then we say, "Fire away, and go download it."

Step #2 - Organizational Infrastructure

The second step is where we really dive into our organizational infrastructure. It's not good enough just to have a vision, although that's the best place, and you have to start there. Once you understand what you need to offload, and you have a means of communication, then we move into the organizational infrastructure. **Notice that we built maybe one process to this point, but the large scale of process build out is coming later, not at the beginning. We have to start with the foundation.**

In the organizational infrastructure, what we do is set a foundation for "Core Values," because every business has 3-5 unique core values, and no more because that's how you're going to make

decisions. "Do we acquire a business? Do we bring on this new person? Do we draw profit? Do we start a new product?" I don't know. Run it through your core values.

Two hours ago, literally from the time we're talking right now, I just got a call from a concrete contractor. Actually, it was a text, and it said, "Call me as soon as you get this. A guy got caught stealing." I called him, and he said, "This guy stole a big pump, and we found it at a pawn shop. The detective is here now. What do we do?" I said, "Walk through your core values. Right now, walk me through them."

So, he started walking me though his core values, and I asked, "What do you do?" He goes, "We've got to let him go, and tomorrow I'm going to have a team meeting with my guys with his job role, and we're going to take each element of the job role, and we are going to start partitioning it out to the guys. Then, we're going to enact a daily huddle, instead of a weekly team meeting, a daily huddle in the short-term to make sure all of his responsibilities are there." All of that started from unique core values.

Once you have that laid out, then we draw out the old-fashioned work chart, which tells us which roles exist in the business, to serve the vision. Notice that we haven't even talked about people yet, in terms of people or process. After that work chart is there, that's when we actually build the job roles. I want the job roles built before I know who the people are. We have this motto, "Role first. People agnostic," and it's not meant to be mean to people. In fact, it's the most humane thing that we can do. Nothing is more inhumane, in business, than to bring somebody on without articulating out what it is that you want them to do.

So, we build all of that out, and you've probably heard of Brian Moran's 12 Week Year. We have every small business owner set up with a structure where every 13th week, they create a 12-week plan. That is their whole plan. They focus on three goals only. There's no annual strategic plan. There's none of that. It's 12 weeks at a time. You lock and load, and you go all in on those. That's the second step, where we really dive into the organizational infrastructure and get all of that written out and built out. Michael Gerber said that if it's not written, you don't own it, and so we've got to write it all out.

Step #3 - People and Process

The third step is where we dive into the people. Now we are going for people and process. **We've got a killer process map that we've built out, and what this does is, with the work chart you can see your entire business on one sheet of paper, as it relates to roles.** With the process map, you can see every single process within your business on one sheet of paper.

What this looks like is, we've got a lot of boxes on one drawing, and there are three major systems that exist in our business. We've got the administrative system, we've got the coaching system, and we've got the marketing system. So, those are the only three systems that exist in our business, but underneath those, we've got a lot of processes that serve those systems. Then, we've got every role color-coded, and we just color code the process to who is in charge of it. In

the first rendering of this, there were a lot of yellow boxes, which meant that was me. But, I wanted to work on my business, and not in it, so we recreated it.

I started to hand some of these responsibilities off, but only after we processed each one of these. We still have more work to do, but, for instance, the customer experience process within our group coaching That's actually linked to a document, and when you open the document, it actually opens up to reveal the whole, entire process from top to bottom. So now, every process is represented on the process map, and it's color-coded to tell us exactly who it is that owns that particular process. When we go to our weekly team meetings, everyone is responsible for their own individual process.

You have your vision to know when you're going, you have your values to know how to get there, and then, also in the third step, is your mission statement, which is a one-sentence or phrase statement. For us it's, "Liberating small business owners from chaos." This tells you exactly what drives us out of bed and how we are going to serve you today.

How Do You Come Up with a Mission Statement?

Great question. Let's look at this methodically. **First, you go back to your vision, and this is why we have to draw this out first.** Your vision statement is going to provide a word bank, which will feed your unique core values and your mission statement. Let me define "mission statement" in the way that we see it. Whereas your vision is a detailed snapshot of the future of your business, and it might be 2, 4, or even 6 pages long, your mission is exactly what drives you out of bed in the morning, and this statement has to be less than 15 words. We want it to be memorable and portable. We want everyone to know what it is.

A mission statement that's one or two paragraphs long would be something now one can remember. So, we want something that's less than 15 words, and we want it to be impactful with double-meaning words. We've got one client who does demolition work on a large scale, for oil refineries and those sorts of things, and the first part of their mission statement says that they "demolish obstacles". So, you've got some double meaning, right? So, they literally demolish obstacles, but they also metaphorically demolish obstacles, and they "erect their clients' dreams". That's their mission, and everybody in the building understands what it is.

We have another business, and they are in the crane business. Their mission is simply, "We make the tough look easy." It's so strong. They have it written on their trucks and on their walls. They talk about it in their team meetings. But, it's got to be short, it's got to be powerful, and I don't want it to explain the technicalities of what we do. I want it to be so interesting that it forces you to ask the question, "Well, how do you do that?" So, when we say we liberate small business owners from chaos, it triggers you to go, "Well, how do you do that?" That's exactly what a mission statement should do.

You look at all of those words in your vision story, and then you go back and highlight all of the adjectives that you've written down in that story. That creates a word bank, and you taper those down to the top six words that you would be willing to die on the sword for in your

business. You lay those out, and we try to consolidate those six words, literally, through using Thesaurus.com.

Let's say that you open up Thesaurus.com, and you start putting in those more commonly used words in there, like excellence, respect, and responsibility. The problem is that those words are cliché. What the mind does in the presence of clichés is it just kind of turns off, so those words don't really mean a whole lot. We've got one client whose unique core values include "moxie" and "salty". One of ours is "Work is faith." So, again, we want our unique core values to elicit the question, "What does that mean?"

Once you've gotten all of those words put together, and you've kind of gotten your core values drilled out, you can lay them out on a sheet of paper and go, "Which ones were the ones we were willing to kind of die on the sword for?" Then we start putting them in different orders and creating sentences out of them that are less than 15 words long. Then, through Thesaurus.com, we come up with some unique words and create a pippy, quick, double-meaning structure of a sentence that says, essentially, "That's what drives us out of bed every morning."

How Would I Use this Mission Statement in My Business?

As you might imagine, we have a process for that too. The first process that we use is every time you're in a team meeting, every team meeting that we coach people to lead, has to have a written agenda. The first item on that agenda is "Mission/Values/Story". What happens is, in every team meeting that we have any influence over, the business owner, or someone in the meeting that's agenda-driven (because anyone can lead it), says, "Alright guys, before we get started, does anyone have a story about this last week where you saw us live out our mission? Or, maybe we missed living out our mission?"

We tie a story to the mission statement so that there's a constant drip, a reminder, every single week of exactly what the mission statement is. Also, we have another process that we use in sales calls. Whenever anyone says, "Tell me what it is that you do," you aren't allowed to start with anything technical. You have to start with the mission statement. Then that elicits the question, "Well, how do you do that," which helps you dive in and explain further.

The third way that we process this out is through the job roles. Every written job role doesn't start with tasks; it starts with the mission statement, and then it starts with the core values. That's because anyone you bring onto your team needs to understand that these are the priority. This is what you do. And, when you go through an interview process with someone, you tell them that, "Before any of the technicalities, we need to know that you're on board with this mission statement and that you can buy into it."

By the way, one mission statement literally saved a guy's job about four weeks ago. We have a guy who installs docks for a living. He's cool, and in fact, he's the one who has "salty" as one of his core values because he works a lot in salt water. He's also got a bit of salty personality.

So, anyway, he called me up one day and said, "Man, I finally found the right guy to do all of our installs. We've been working with him for months, and he's doing great. We got him

trained up, but we went back and did the numbers, and through workman's comp and through errors, we pay him $35,000 a year, but we found out that he's costing us an additional $21,000 a year. What do we do?"

I said, "Where do we start?" He said, "I know. Mission and values." I'm like, "Alright! Let's start with the mission and values. 1) Does he buy into the mission?" He said, "This guy bleeds our mission." I was like, "Alright. Check. Green light. What about the unique core values?" He's got five, and we started walking through every one of them. It was green lights the whole way down. That was great. We had gotten passed the mission and the values, so I asked, "What about the vision?" He said, "He buys into everything we do in our vision story."

Then I said, "Okay, now let's walk through the job role. How does he do with the job role?" His reply was, "Other than the errors, man he kills it! He does awesome!" I told him, "Alright, great. So, let's walk through the numbers. He's costing you an additional $21,000. What if you went and bought a workman's comp policy for $10,000, and then you took the extra cash, minus $5,000 or $6,000, and you put that aside as an incentive pool? That way, if he has fewer errors, and built those up over time, worked on a few things, and didn't have as many workman's comp claims, all of the sudden he'd have a year-end bonus that he could look forward to." He said, "That's it!" But, it all started because it was a green light on the mission.

Do you realize that if he had not gotten past the mission or the values the strategy on the backend wouldn't have mattered? We want to start with principal and end with strategy. We don't want to start with strategy and end with principal.

Is There Anything Else About Step 3 I Should Know?

The only other thing in Step 3 is adding personalities to the people side of this and hiring. **We've got this thing called "The 7 Steps to Anxiety-Free Hiring".** We realize that when someone turns over in a business, you either have to let them go, or they let themselves go, or whatever, and it usually costs a business, on a salary that's $40,000-$50,000, $15,000-$20,000 in turnover costs. So, hiring right on the frontend will save you loads on the backend. So, we have "The 7 Steps to Anxiety-Free Hiring" that walks a business owner methodically through, step-by-step, so that they can make a better hire. Part of that includes profiling.

We are pro profiling. We don't shy away from profiling. Everyone says, "You can't profile." No, no, no. You better profile, and the reason is that when you are hiring somebody, the majority of us do "the eyeball test". We do a subjective eyeball test and think, "Oh, they feel right, and you know, they look right," but we want to know, objectively, what's underneath. What is it that you can't see? That is what the profiling is for. We might use DiSC, Colby, Kolbe, or Myers-Briggs. We don't care what you use; you just got to profile them.

When you profile them, you've got a dual track running here. You've got the subjective eyeball test, which is everything that they're telling you. And, by the way, you gave them the job role, so you just gave them a cheat sheet, okay? So, we've got to have something objective on the other side, which is the profile that you're going to be able to look at. There have been times where, say, they might be hiring a controller for a business, and that controller comes back as an

IS personality. They looked at it and gone, "It's not even worth bringing them back." They were really nice, and it sounded like they knew what they were doing, and they checked all of the boxes there, but it was really a wrong personality fit.

When you have the subjective and the objective, you can marry those two things together. Then you can look at your ORB chart, and you've got your process map, and you know where you are going with your vision. You've got all of those things together, and now all of the sudden, you start working on your business, and you let other people be the technicians to work in it.

Step #4 - The Game Changer

We call this "The Game-Changing 4th Step". These are, kind of, the innocuous little things that business owners deal with a lot of the time, but they don't have a methodical process for taking care of them. For instance, writing a vision for your family. See, business and family connect. They aren't separate. So, we've even got a module on how to craft a family vision. "How to compensate team members," and, "how to terminate team members," are some examples. We literally walk business owners through all of that so that they know exactly how to terminate. In fact, that was a conversation that we had to have earlier today. So, we followed our model on how to terminate, not one of our team members, but a team member of a client of ours.

We walk through those nuances, like how to price your product or service. We walk through a lot of those nuance things that business owners are kind of intuitively doing every day, but they've never done it with a methodical process. We want to process everything out. It's not so much so that we can be robots, but instead, so that we can make sharp, solid decisions and set other people up for success, and so that we can kind of back off a little bit and lead instead of working in the business.

Anything Else I Should Know?

Not really. The biggest element is that, when you boil it all down, or if you said, "Hey, I realize a small business owner needs to build all of this, but from where do you start?" Where do you start? Vision, delegation, and team meetings. If you can get your vision story together, so that you know where you are going, delegation arranged, so that you can get it all out of your head, and team meetings together so that you know how to communicate, just those three things will take you so much further than where you already are.

Now, the other things are necessary. They are absolutely necessary, to run a great business, but just to get some breathing room, or to stabilize the patient in the ER… Let's put that metaphor to it. If you want to stabilize the patient, it takes a vision story, delegation, and team meetings. Of course, the vision story we can help you out with right away, as long as you're willing to put in the work.

Where Do I Go to Get Started?

Just go straight over to MyBusinessOnPurpose.com/Vision. Just put your email in, and it's right there. You don't have to wait for six emails to get dripped out over seven days, or any of that kind of stuff. It will come straight to you. You just need to decide, right away, when am I going to do this? Because, if you don't it's just going to flutter away like anything else.

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