

The
CEO's Guide

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**INCREASING
PROFITS**

5 Steps to a Profitable Service Business



The Five-Step Process

Use This 5 Step Process to Drive Performance, Profitability & Growth





The Five-Step Process

1

DEVELOP STRATEGY

Where do you want this ship to go - does everyone know?

2

MANAGE TALENT

How do you find, retain and engage the right people?

3

WRITE DOWN YOUR GOALS

Does everybody know what they're aiming for?

4

KEEP SCORE

Understand the Key drivers of your business to make Data-Driven decisions.

5

RECOGNIZE & REWARD

Incentivize your teams with opportunity and fulfillment.

1

DEVELOP STRATEGY

Building a profitable service business starts with defining a solid business strategy.

Define the uniqueness of your company and your services so you can get everyone aligned around your vision, mission and values.

Decide the direction you want your business to go by asking yourself these 5 questions:

Why Do You Exist?

What are Your Key Value Drivers?

How is your business different?

Who is Your ideal client?

What is the best way for your business to stay on target?

Differentiate

Get Ideal Clients

Hire Staff

Improve Services

Grow



Why Do You Exist?

Self-knowledge is a critical component of your business strategy. **Ask the who, what and why** questions to determine why your company exists.

What are Your Key Value Drivers?

- Customer relationships
- Knowledge and training of the workforce
- Strategic vision
- Intellectual property
- Supplier relationships
- Unique business processes



How is your business different?

"Differentiation is one of the most important strategic and tactical activities in which companies must constantly engage."

— Theodore Levitt, a professor at Harvard Business School



Who is Your ideal client?

The client has to fit YOUR definition of IDEAL:

- ✓ Be at the right life cycle/growth stage of business
- ✓ Be the right size - revenue or # of employees or both
- ✓ Have the right attitude or psycho-graphics
- ✓ Be serviceable at great margins
- ✓ Have potential for better than average retention and lifetime value

How can you keep your business on target?

As your company matures and grows, there's room to branch out into new niche markets either with the same service or new ones. However, the **most profitable companies solidify their position** with one specific market first.



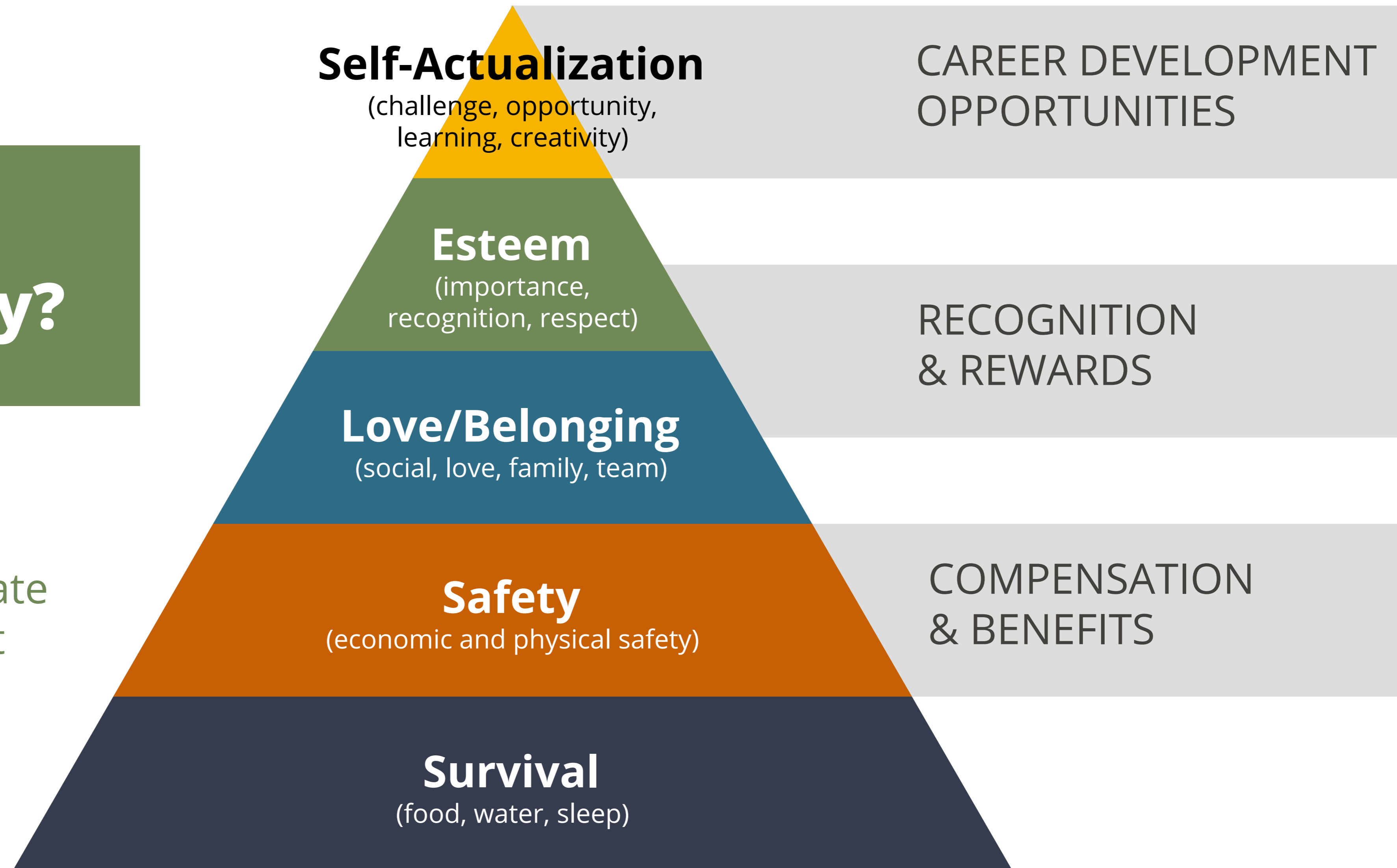
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MANAGE TALENT

A great company is built on great people and a great culture.

What's your people strategy?

You need to hire people who's vision and values align with yours and create a work environment that motivates employees.



Culture eats strategy for lunch.

If you don't define the culture yourself, one will be defined for you collectively by your employees — and that might not align with your core values. That's why you need to establish a **“culture by design”** throughout all levels of the company and lead by example.





The **Motivational** and Financial Cost of Not Having **Engaged Employees**

U.S. workers

WASTE
\$700 BILLION

per year in

LOST PRODUCTIVITY.

3

WRITE DOWN YOUR GOALS

Setting goals and writing them down increases success rates and your chances of achieving those goals.

Let everyone know what you're aiming for!

3 WRITE DOWN YOUR GOALS

For goals to be meaningful, they need to be **SMART**.

- S** Specific
- M** Measurable
- A** Attainable
- R** Relevant & Realistic
- T** Time Bound



You can use a simple formula to create smart goals:

I will _____ by _____ by _____.

4

KEEP SCORE

CEO's must understand how to produce and analyze KPI's, reports, and scorecards about **past performance to drive future results.**

It starts with strategic thinking through the five areas of business decisions and KPIs & Scorecards for each.



How do you turn strategic thinking into better decision-making for improving future results?

To make data-driven decisions, you need to understand the key business drivers of your business. Once you know those drivers, then you can start developing your KPI reports, to help you keep track.



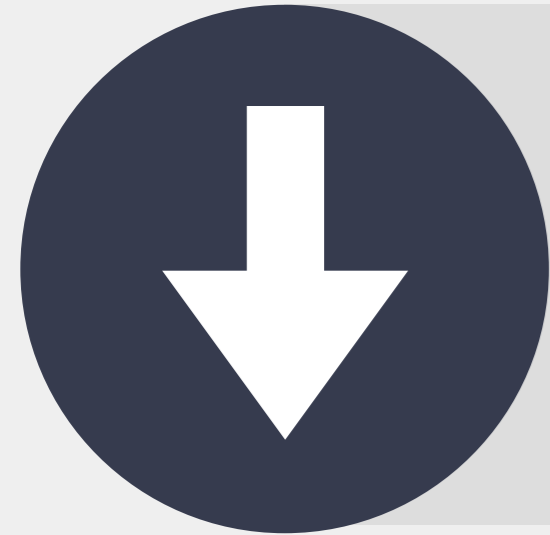
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RECOGNIZE & REWARD

Career development becomes even more powerful when combined with incentive compensation

— e.g. when you add financial rewards to the practice of recognizing individuals or teams based on their performance.

A recent Gallup poll about recognition and engagement showed some surprising insights:



When a manager focuses on someone's **strengths**, the likelihood of that person's disengagement drops to a mere one percent.



When a manager focuses on someone's **weaknesses**, the likelihood of disengagement rises to 22 percent.



When a manager **ignores** someone, the likelihood of disengagement rises to 40 percent.



How do rewards, recognition and improving engagement result in a profitable business?

Companies with employee recognition programs saw...

a **63%** increase in employee productivity,

a **58%** return on their profit margins,

a **52%** increase in customer retention,

and a **51%** increase in employee retention.



Greater productivity by happy employees = increased profits.

There's no doubt that building a successful service business takes time and effort. However, with our eBook...

The CEO's Guide to Increasing Profits
5 Steps to Profitable Service Business

...you'll be able to ask, consider, and ultimately answer the most important questions all successful businesses face every day.

DOWNLOAD
THE FULL GUIDE



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