

Top Ten Resolutions for CEOs and Leaders of SMBs

8 min read



“Success is not final, failure is not fatal: it is the courage to continue that counts.”

- Winston Churchill

With the start of a new year, we often feel inspired to make it better than the year before.

Key Takeaways

- **What Is A New Year's Resolution?:** If you want your business to grow, or if you want to improve the performance and profitability of the people who work for you, challenge yourself to...
- **Revisit Pricing, Charge What You're Worth:** Many business owners simply don't realize that pricing is, in fact, THE most vital component when it comes to making money...
- **Setting Your Back Office Up For Success In Your Business Resolutions:** Making your back office a strength in 2023 can save you from heartache and keep your cash flow stream running...

The start of a new calendar year can signal the measurement of results for the previous year and the opportunity to decide on a better approach to both our personal and business endeavors. Therein lies the reason we make resolutions.

What Is A New Year's Resolution?

A resolution is defined as a firm decision or determination to do or not to do something.

If you want your business to grow, or if you want to improve the performance and profitability of the people who work for you, challenge yourself to make business resolutions that are worthy, remarkable, and tangible.

Top ten resolutions for CEOs and small business owners

1. Improve Your Human Capital Strategy and Talent Management



If you provide services and make money on people's time, the value of your business is built on your employees—the people who understand and share your strategic vision, have in-depth knowledge of your IP and processes, and the assess the ability to help drive your company forward.

They've developed relationships with your customers, subcontractors, and suppliers. And if your company runs on tribal knowledge, when a member of the tribe leaves, so does the knowledge.

When employees are unmotivated, they are not productive. When they aren't challenged, they leave. These common employee concerns have hidden costs that impact the bottom line.

While low productivity can be a concern, the biggest problem facing many small to mid-sized companies is turnover.

While hiring people whose vision and values align with yours is an important step, first you need to create a work environment that motivates employees.

Make Human Capital Management a priority this year and your business will be better for it.

Read More: [Attracting, Recruiting, and Retaining High Performing Workers](#)

2. Revisit Pricing, Charge What You're Worth



Unfortunately, many business owners simply don't realize that pricing is, in fact, THE most vital component when it comes to making money. Price your items poorly, and you're leaving money on the table. Price your items well, and you'll beat out your competition without diminishing the perceived quality of your brand.

How much do you think a 10% increase can mean to your bottom line?

Let's take a look at a quick example. When all else is equal if you have 10% profit and there's no change in expenses, a 10% bump on a \$100 revenue stream that has \$90 in expenses will double your profits, assuming you don't lose any clients.

Sounds simple, right? Of course, if the profitability equation was truly that effortless, it wouldn't be a problem for any business. So how do you optimize your pricing model the right way to increase your company's profitability?

Re-evaluate your pricing strategy, then turn to your management reports and look at the data.

Read More: [How To Raise Your Prices The Right Way](#)

3. Get Management Reporting



Most CEOs and owners don't get what they really need from their bookkeeper and accountants each month.

Management reporting gives business owners the financial information they need to make better decisions that improve their business operations.

Management reports are great for CEOs to gain insight on specific areas of their business. However, you want to make sure you are getting the reports that your business needs to drive strategic decision making. You don't want to put the work into pulling reports that aren't being acted upon.

Read More: [What is Management Reporting and How Much Does it Cost?](#)

4. Track ROI, Measure KPIs



Why are Key Performance Indicators (KPIs) important?

Key Performance Indicators provide quick, “consumable” charts and reports that CEOs and owners can use to make data-driven decisions vs. relying on gut instincts.

KPIs should be designed to make it easy to understand, measure and compare the drivers of your business on a month-to-month basis.

KPIs allow CEOs and owners to start building a successful business and provides a clear picture of the business’s standing.

Read More: [6 KPI Charts to Drive Performance & Profitability in Small Businesses](#)

5. Manage Cash Flow More Efficiently



According to a U.S. Bank study, 82 percent of business failures are due to poor cash management.

Have you ever looked at your monthly financial statements and asked yourself, “How can I have made a profit, but have so little cash?”

[Why Profits Don't Equal Cash Flow](#)

Just making a profit isn’t enough to guarantee long-term success – a cash flow strategy must be considered for improving cash flow in your business to ensure sustainable growth.

As cash flow is crucial to business success, looking at what drives your business’s cash flow is an excellent start. **There are seven key financial drivers for cash flow.** Each driver provides unique information that, when analyzed together, can help you identify areas to improve cash flow, reduce financial waste, and make smarter, strategic business decisions.

Learning how to leverage this information to your advantage can improve your cash flow, which in turn improves your company’s bottom line.

6. Improve Security, Reduce Opportunity for Fraud



In over 75 percent of reported cases, fraud is committed by an employee from operations, accounting, purchasing, executive/upper management, sales or customer services, with the highest number of cases originating in the accounting department.

Interestingly, the overwhelming majority of fraudsters—more than 90 percent—don't have criminal records. This could explain why it takes approximately 18 months before a case of fraud is detected.

It should be abundantly clear that fraud prevention is one of the wisest investments of any CEO's time and energy.

A key internal control for reducing the risk of business fraud is the [separation \(or segregation\) of duties](#). While it is a basic internal control, it often is very difficult to implement successfully.

A high level overview of separation of duties basically means that no single individual should be in charge of two or more parts of transactional activities. These functions must be broken up by responsibility and assigned to specific personnel.

Read More: [How to Protect Your Small Business From Fraud](#)

7. Optimize Software & Processes



Businesses that can integrate and take full advantage of technology quickly will reap rewards not just from streamlined operations but enhanced financial intelligence as well.

GrowthForce continually researches and tests the apps and web-based tools that integrate with QuickBooks™ to provide small businesses with a seamless, integrated financial management function. We call it the [Smart Back Office](#).

Building a Smart Back Office ensures you get more relevant data into your QuickBooks accounting system, more quickly and with fewer errors than manual processes. This adds up to more meaningful, accurate and timely information with a lower total cost of your accounting function.

8. Invest time (weekly) into your Business Strategy or Thinking Time

15-20% of a CEO's brain should be focused on strategic thinking.



Making that shift from being tactical to being strategic, where you divvy your time in the most effective way to further your company's goals, isn't easy. That said, it's a significant moment for how your business is run, and can pave the way for success.

Ongoing planning and strategy are both main drivers to push a company forward and usher in growth and success. You need to make time to think and strategize, both on your own and with your executive team, if you are going to make the best decisions.

Build a framework for thinking about issues and opportunities for your business to ensure it performs at its fullest.

Read More: [Is It Time To Reassess Your Business Strategy?](#)

9. Drop what's not working and move on



Letting go of a client is never easy. Most business owners cringe at the idea of letting go of a client, especially when a large percentage of their time is spent trying to attain new ones.

If you hold on to bad clients, it will ultimately wreak havoc on your company's staff and business success.

You hesitate on firing staff because the cost of turnover concern seems greater than struggling along with a mediocre employee. But the negative effect it has on the rest of your team and your business

You hold off on hiring because cash is tight but you have the work coming in, and due to lack of proper staffing, that affects quality, timing, and customer service. Which then causes negative reviews and unsatisfied customers.

Break free from the burden of bad clients or staff - you'll have a more profitable business, and a happier team to work on getting more of the good clients.

10. Make goals specific



You've heard it all before, how important it is to write down your goals. Most people will agree, *but never actually write them down.*

It's one thing to know what you want your goals to be, but writing them down and then measuring whether you're reaching them is the best way to actually turn them into reality.

Perhaps you're thinking, "My goals are pretty self-explanatory: Make as much money as possible. Why do I need to write that down?" Well, expanding your goals beyond just increasing profits, and writing them down, will help the entire company understand how to row in the same direction.

According to a landmark Harvard study^[1], setting goals and writing down your objectives enhances your motivation and increases your likelihood of success. Moreover, companies that had written objectives showed a 700 percent increase in growth versus those that didn't.

Setting Your Back Office Up For Success In Your Business Resolutions

Between the pandemic in 2020 leading to the shutdown, the Great Resignation, inflation, and a possible looming recession, it's no secret that the last few years have been hard on small business owners and it doesn't seem to be stopping.

Making your back office a strength in 2023 can save you from heartache and keep your cash flow stream running. With automated back-office processes and procedures, you can get and keep the reports you need to make strategic data-driven decisions to keep your business afloat in the new year.

Where do you see your business headed this year? Destined for growth? Reaching a plateau? Tackling cash flow issues? We hope this list of resolutions will help you to improve your outcomes for this year.

[1] <https://www.wanderlustworker.com/the-harvard-mba-business-school-study-on-goal-setting/>