



The Healthy Business Guide

Contents

	Page
Introduction	02
1. Know your purpose	03
2. Enjoy your work	03
3. Delight your customers	04
4. Motivate your team	04
5. Employ your resources efficiently	05
6. Keep funds flowing	05
7. Continuous improvement	06

Read any number of business manuals and most of them will tell you that the sole purpose of a business is to make money. It's certainly true that an organisation needs profits to continue to operate, but the quest for profit is rarely the whole story.

Whilst we recognise that there are numerous other reasons for a business to exist, this guide has been written with maximising profit in mind.

1. KNOW YOUR PURPOSE

The route to growing and maximising profit is to sell more products or services to more customers, in such a way that income exceeds costs as much as possible.

Sounds simple enough - but in order for an organisation to fully realise its potential, every action taken by the organisation, and those within it, needs to be towards the same goals. Each and every person needs to understand what those goals are and how their role contributes to achieving them.

Many larger organisations have a written 'mission statement' or 'vision' which provides a statement of intent for all employees to follow. Smaller companies, however, tend to have a more fluid attitude to their purpose.

Ask yourself if the specific purpose of your business has been defined and whether you and your team know how each person connects to the success of the business.

2. ENJOY YOUR WORK

Whether you're an owner, manager, customer or employee, your organisation should be an enjoyable place to be. Work is such a significant part of our lives, it really should be more than just a place we attend from 9-5.

To get the most out of work we need to be present and engaged. When we give our focused attention to the situations and people around us, everyone benefits. High quality connections help us to feel positive at work... helping us to be more resourceful and to learn new skills faster.

It's an interdependent world and as such we need to make ourselves accessible and open to people (customers, colleagues, patients etc). None of us is an island and we can't expect to succeed on any significant level without connecting with people and being approachable.

Being approachable means being receptive to the occasional interruption, making ourselves regularly accessible to others and doing it with a smile. In spite of our own personal challenges, we all have the opportunity to choose our attitude and decide whether or not to make someone's day better or worse.

When we enjoy our work, we're more pleasant. Pleasant people are so much easier to deal with.

- Buying from them is better.
- Selling to them is better.
- Working with them is better.

“

Work is such a significant part of our lives, it really should be more than just a place we attend from 9-5...

”

3. DELIGHT YOUR CUSTOMERS

It's vital to know who our customers are, and this includes potential customers as well as existing ones. Knowing who our customers are enables us to know what they need, at least in the context of what we are able to provide them.

What we then need to do is to look at the world through their eyes and design our product or service to meet their expectations. Unfortunately, in some environments, it's so rare for anyone to meet expectations that doing so is perceived as something special... as if doing the right thing deserved an award or a celebration.

We say avoid that kind of thinking - dismiss mediocrity. Meeting expectations and doing the right thing are fine first steps, but we don't think it should stop there. Think of it this way... Is it where we want others to stop when they're doing something for us? Going beyond expectations is where wonderful starts.

Do what's expected of you and then do a little more. Delight your customers and they'll keep coming back time and again.

4. MOTIVATE YOUR TEAM

Motivation is our inspiration to complete a task. How motivated we are determines the effort we put into our work and the standard of our output. The more motivated we are, the more we give.

We are all motivated by different things and it may be a surprise to learn that the majority of these are not financial. There is a fine line between factors that motivate people and factors that prevent job dissatisfaction. Some things increase the level of efficiency in employees by reducing job dissatisfaction but these things can't be considered motivators. Pay, working conditions, supervision and how a business is run tend to fall into this category. People need to eliminate conflict in their job before they can begin to be motivated.

Before motivation can begin therefore, it's necessary that at the very least an employee's standard of pay reflects their working conditions and that they are generally comfortable working in that business. Then the factors that motivate each of the team need to be determined so that efforts can be focused accordingly.

Achievement, recognition, responsibility and the nature of our work are generally regarded as factors that lead to motivation and there are many forms in which they can be given:

- providing training for employees to expand their knowledge and abilities.
- giving employees more responsibility so that they feel their contribution is more valuable to the business and that their role is of higher importance.
- enlarging an employee's range of work to allow them to complete more of a process, further increasing their responsibility.
- creating opportunities for them to gain more recognition for their work.

No matter how efficient technology and equipment may be, it is no match for the effectiveness and efficiency of staff. Employees are our greatest asset and their motivation is fundamental to the business achieving its goals.

5. EMPLOY YOUR RESOURCES EFFICIENTLY

Once we know what our customers want from us, we need to work out how we can meet their needs as profitably as possible. Profitability will depend entirely on how efficiently we employ our resources.

Efficiency can be described quite simply as the ability to accomplish a job with the minimum of resources. At face value this seems pretty straightforward but when our physical, financial and human resources are interdependent – when the reduction of one leads to the increased use of

another – combining them successfully, without compromising on quality, takes great skill.

We have to be constantly mindful of making the best of the resources we have. We need to work to the lowest common denominator so as not to be wasteful of time, money or expertise. We need to ask ourselves is that the best use of my time? Would we be better off buying a new machine or hiring another staff member? Should we rent or buy?

6. KEEP FUNDS FLOWING

The requirements for cash within a business are obvious. Payment of wages and salaries; creditors; VAT and PAYE all need access to cash resources and it is absolutely vital that funds are flowing freely to meet these obligations. The implications of defaulting on any of them are potentially devastating.

Failure to meet wages and salary payments is clearly unacceptable and would represent a breach of faith to employees and failure to meet agreed terms with creditors would have serious implications on the ability to maintain supplies. Let's not even contemplate the penalties involved in failing to pay PAYE and VAT on time.

Keep in mind that a 'sale' is not complete until payment has been received and cleared into a bank account. This final stage of the process tends to be the most over-looked and without freely flowing funds business operations can start to seize up fairly quickly.

Poor cash flow will not only restrain the ability of a company to grow but will ultimately undermine its ability to survive. Making sure debtors pay on time, by having active credit control systems, is essential for maintaining the flow of funds, to keep our businesses healthy.

“

Poor cash flow will not only restrain the ability of a company to grow but will ultimately undermine its ability to survive.

”

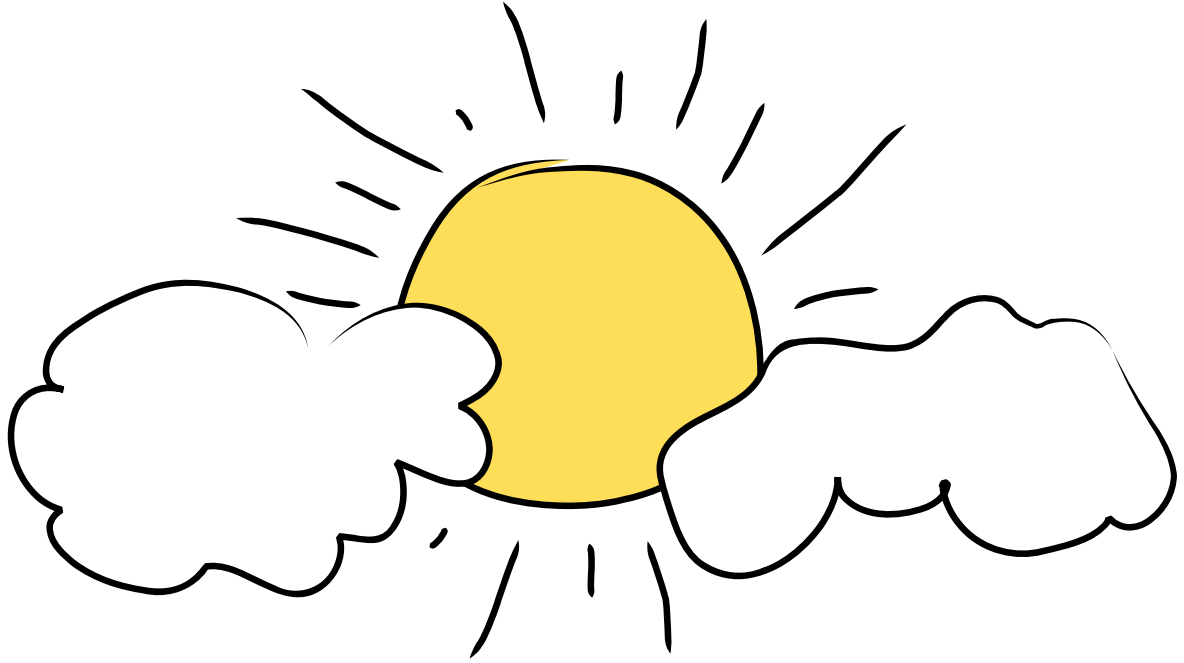
7. CONTINUOUS IMPROVEMENT

By taking notice of all the other healthy business steps – knowing our purpose, delighting customers, engaging our staff etc. – we're all well on the way to having a healthy business. None of us can afford to rest on our laurels.

In our quest to sell more things to more customers in an evolving environment we need to constantly monitor that we're never compromising on quality, selling at an unrealistic price [too high or too low] or incurring costs that make supplying the products and services unprofitable.

The world is constantly changing. Advances in technology are an easy example of this but the needs of our customers, employees, suppliers and even ourselves are also continually evolving.

For our businesses to stay healthy we need to continuously improve and develop our products and services, our procedures and even our thinking to keep pace with changing demands. If we don't, one thing is for certain – someone else will.



Fridaygirl.com Limited, 19a Carrick Business Centre, Commercial Road, Penryn, TR10 8AR
T: 0845 644 4384 F: 0845 644 4394 E: delegate@fridaygirl.com