

3

KILLER
MISTAKES THAT SENTENCE
7-8 FIGURE
ENTREPRENEURS
TO SLEEP STEALING STRESS &
DISHEARTENING PROFITS

WARRENCOUGH LIN.COM

AVOID THE KILLER MISTAKES

Do you ever experience disappointment at the state of your profits or bank account? Does the stress of your business rob you of your sleep? Or do you ever find yourself working grindingly long hours?

Well, if so, you're about to find out why.

In this short document, I'm going to introduce you to the 3 Killer Mistakes That Sentence Entrepreneurs To Sleep Stealing Stress And Disheartening Profits; and more importantly, what to do about it.

My name is Warren Coughlin, business coach, entrepreneur, trainer of entrepreneurs. I've been coaching business owners since 2002, from startups to those running \$200 million dollar businesses and I see the same mistakes repeated over and over again.

Why is it so important to understand these mistakes? Once you learn how to avoid these mistakes, you quickly gain control over your time, your money and your operations, you experience more consistent and sustainable growth and you enjoy yourself a whole lot more.

I respect your time, so let's dive in.

KILLER MISTAKE #1

NOT KNOWING YOUR NUMBERS

If you don't know how to tell the score, how do you know if you're winning or losing?

Whether you're focused on profit alone or, like most of my clients, you're hoping to make an impact with your business while generating a good living for yourself, it's critical that you know how you're doing. If you fail to understand this, you may be surprised to find that you've been bitten on the backside. And hard!

A Family-Owned Business Learned The Hard Way

I had a client, a family-owned construction business, who had called me in because they were sure someone was stealing from them. Their revenue had more than tripled, but they had gone from a healthy profit to a disappointing loss.

After reviewing their books for about 15 minutes I said, "Let me guess. Both the size and the number of projects has increased. You haven't given any new training to foremen. Crews are pressured to win projects faster. You're not finding time to maintain your equipment on a regular basis. And you have no one in charge of inventory management." They all looked at me with their mouths open and one of them said "How did you know that?"

I replied "Because your numbers told me that."

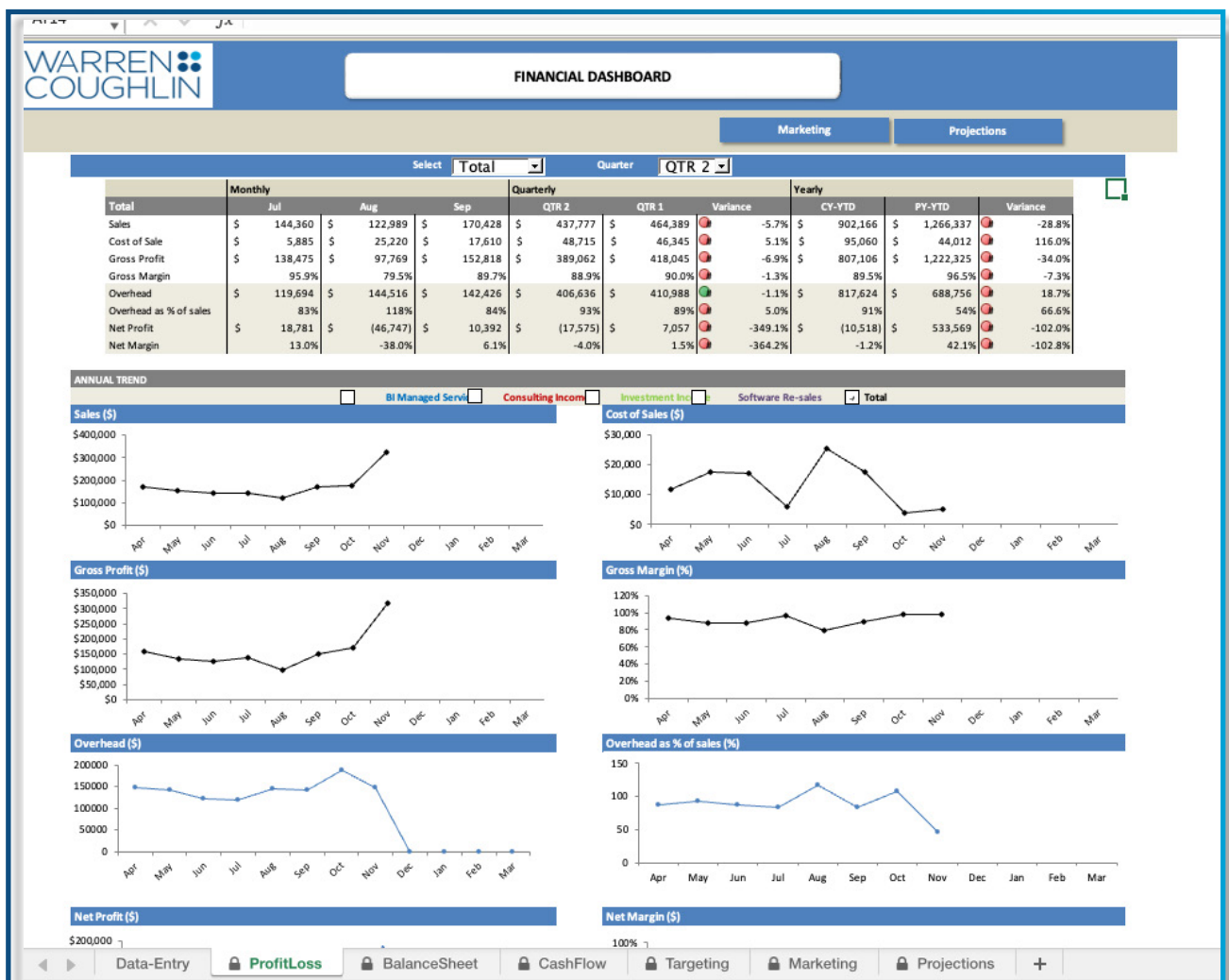
There's a reason they're called "your books". It's because they tell a story.

If you don't know how to read the numbers, you don't know how to tell the story of your business. And that means you lose control of the plot and, most importantly, the ending!

So, what should you do? Here are some quick wins you can create for yourself:

1. **Review your 3 core statements** Every month, review your Profit & Loss, your Balance Sheet and your Statement of Cash Flows.
2. **Look at the trends.** If I say I made \$50k profit last month, is that good or bad? You don't know. If 2 months ago, it was \$100k and 1 month ago, it was \$75k, then \$50k isn't looking great. On the other hand, if 2 months ago it was \$-25k, 1 month ago \$10k...well suddenly it looks pretty sweet. Here's the rule: It's the trend that matters!

Here's an image of a tool that all my clients get access to. It's a dashboard that integrates each of the 3 financial statements, shows key ratios and trends by month, quarter and year both numerically and graphically. In just a snapshot, you get a clear understanding of the story. So, you see, it doesn't have to take a ton of time.





3. Talk to your accountant. Make sure your books are set up for management purposes and not just for tax purposes. Because so many entrepreneurs simply look at their bank account and their sales numbers alone, many accountants simply set up the books for tax purposes. Which means they sometimes put things in holding accounts or don't stress much over whether something is classified as variable cost or overhead in the short run. But that creates headaches if you want to manage effectively. If you tell you're accountant you want it done the right way to manage the business, they'll love you because you'll be one of the few clients they have who care about what they care about!



Quick Tips

What to do instead? Here are some quick tips:

1. Pick just 2-3 prioritized items for each quarter. (90 days is long enough to get something done and short enough to keep you focused.) If you do this, you'll complete 8-12 significant improvements in a year. Can you name 5 businesses you know that have pulled that off? It's rare, because people resist this kind of focus and instead try to do too much at once.
2. Choose the specific tactics to complete those priorities.
3. Assign and schedule them. Don't just give due dates; plan when they'll be done. If you don't think this through, you'll leave things too long and miss the date.
4. Have weekly/biweekly meetings to ensure things are on track and to make course corrections as needed.

If you do this, you and your team will enjoy an unprecedented level of focus and control, which will result in you getting more done with less stress!

Having coached businesses from startup to \$150 million in revenue since 2002, I see very few who do this well. To help with this, I've created what I call "The Business That Matters Playbook". It's an online app that automates the whole front end analysis portion of the strategic planning process and guides you through to the completion of a detailed 90 Day plan. It's possible to go through the 4 steps above without it, but I've found it expedites the process immensely.

KILLER MISTAKE #3

IGNORING CULTURE (OR THINKING CULTURE IS EASY)

Strategic Planning tells you what needs to get done. Culture determines whether it actually gets done.

Here's a painful truth: the culture you have in your business is the culture you have tolerated. You're the leader. So, if you have cliques, low accountability, missed deadlines, mediocrity, uneven performance, over-reliance on you, gossip or complaining, it's because you've allowed it. To shift or create a culture, you have to commit. It's not something you dabble in here or there, or just assign to your office manager or HR manager.

This is Crap!!

A client of mine, a business with 2 leaders, was struggling with team performance. I introduced the idea of working on culture. One of the partners said (excuse the language even if masked, but this is the quote) "This is f^@'n Bull&#!+".

He ultimately relented. We did a ton of work on their culture. They've doubled their revenue. They've won "Best Place to Work" in their category for multiple years running. And now, that same partner says "Culture; it's everything."





Your Simple Steps

Here are some of the key steps to building what I call a “High Performance Culture”:

- 1. Define that culture.** Ask yourself “what are the deficiencies in our culture that prevent us from being high performance?” Define the values and behaviors that are needed to address that. (I’ve developed and refined a culture definition process, as used by the client I just referenced, that allows this to be done in a matter of hours rather than months! It’s been used dozens of times and has not yet failed.)
- 2. Look at the incentives in your business.** Do they promote that culture or those values? For instance, if you say you value safety, but leaders get bonused only on productivity, what happens if your team is out working in a storm? Safety says, “Come in.” Productivity says, “Push through.” In this case, the incentives encourage people to make a decision against the value.
- 3. Review your systems.** If you say you value innovation and autonomy, but every decision requires a form 32B to be completed in triplicate and signed off by 3 VP’s, your systems run counter to your desired culture. This may sound extreme, but there are organizations that aren’t far from this.
- 4. Reflect on the signals,** or winks and nods, that you and your leadership give. If you say performance is all that matters, but the sycophant, the person who kisses up to you, gets to join you on client lunches or golf games, you’re signaling something else entirely. Instead, talk about the culture and values all the time and recognize those who align with those values.
- 5. Consider who belongs and who doesn’t.** Don’t let those who undermine the culture continue. I know this is hard. But every single time I’ve seen business owners commit to this, culture, performance and profitability improve.
- 6. And finally, recruit to that culture.**

This is how you create a High-Performance culture.

THE OUTCOME

If you commit to avoiding these mistakes, you will have so much more clarity, control, and confidence. Knowing Your Numbers gives you clarity on how your activities affect your results. Strategic Planning gives you control over what activities are to be done. And a High-Performance Culture gives you the confidence that your strategy will be successfully executed.

On the next page, I've distilled all of this down to a simple checklist you can use to guide yourself as you seek to eliminate these mistakes.

If you found this useful or see the value in eliminating these mistakes, please visit my web site <https://warrencoughlin.com>.

There you'll learn about The Business That Matters Foundations System; a 3-month program that helps you eliminate all these mistakes and gives you the Clarity, Control and Confidence that will see you build the business you want. You'll also see the details of how this System comes with a 100% Money Back Satisfaction Guarantee and Case Studies of entrepreneurs like you who have transformed their businesses and their lives.

If you'd like to explore whether The Business That Matters Foundations System will work for you, book a free 30 Minute BTM Discovery Call right from my web site.

I look forward to helping you build A Business That Matters.



Avoid The 3 Killer Mistakes Checklist

A Know Your Numbers

Review your P&L, Balance Sheet and Statement of Cash Flow each month

Examine the trends over time

Talk to your accountant to ensure your books are set up for management purposes and not just for tax

B Create and Execute Your Strategic Plan

Pick 2-3 priorities each quarter

Select the tactics to achieve succeed with those priorities

Assign and schedule the execution of those tactics

Hold weekly or biweekly accountability meetings to ensure the plan is being executed and to make necessary course corrections

C Build Your High-Performance Culture

Define your culture

Critique the incentives to ensure they align behavior with your desired culture

Review your systems to ensure they produce the behavior consistent with your desired culture

Reflect on the informal signals you are sending as to what behavior is expected to ensure it aligns with your desired culture

Exit or develop those who don't align with the desired or culture

Recruit to the culture