

People change for many reasons, sometimes it is from a desire to be something different, but often it is the result of discomfort. Companies are no different than an individual. It has been said, “change or die.” Thank goodness that this is more relevant in business situations than in real life. If you have a company that manages you and your time rather than once that is a fun place to work and one that you can manage, then you most likely understand the need to change. This is the classic entrepreneurial challenge: Your business grows due to the efforts of the owner, but the company now has outgrown the skills that created your success. Now your company may seem out of control and many entrepreneurs no longer derive the same benefits or satisfaction that was experienced only a short time earlier. The change process does not require a college degree; rather the tools required are a solid foundation, good measurements and a clear vision.

Change is a dynamic process and although it may be the result of discomfort, it often generates even more. It is a great paradox that change may be the result of discomfort but the process may cause more discomfort than the underlying problems. The reward comes at the end when you have effectively transformed your company to a well-run organization that is a fun place to work and becomes an asset rather than just a job. The key ingredient in this process is a tenacious desire to succeed and an intense focus on the end result. Most people will find that they have many of the resources required for this process working in their company, only requiring quality communication. In this article will provide the framework for an effective strategy and plan for transforming your organization.

The first step in this process is a reality check to make sure you are ready to make the commitment. As we work with companies assisting in this process, a new client often receives a call from a previous client to give them a heads up about the stress, hard work and time commitment it will take. This is often followed by an affirmation about the decision to transform their company. After you are personally ready to take your business to the next level you need to take stock of your organization and be realistic about your strengths and weaknesses. Organizational change requires that you amplify your strengths and create a plan to address your weaknesses. Many entrepreneurs do not realize that it is not a lack of strength that holds them back; rather it is the weaknesses that maintain the status quo. Gaining an understanding of your company and your strengths and weaknesses is an important and difficult task. This process often requires some sort of outside assistance because you may find that the biggest challenge is the leadership and style of the owner or even the entire leadership team.

Once you have a clear understanding of your organization you are ready to create a plan to move forward. The plan will address the issues that are uncovered in the discovery process and provide a clear vision for you and your staff. If necessary, you can create a formal business plan but I feel that it is often more effective to simply define your action plan, goals and vision along with a projected financial plan. This will help you speed the process and also provide an actionable tool to get the process started. There are several components to creating an effective business plan. The first is to involve your key leadership team. This team will be tasked with both assisting with the plan creation and more importantly in assuring that the plan is implemented. Your plan should set realistic

expectations and also should focus on some short-term victories. These victories are very important in creating some momentum and having success in the process. Your plan should have financial measurements and targets that will guide the entire process. They should focus on sales, revenue, gross and net profit as well as cash generation. If you do not have good starting numbers then your first action item will be to implement a sound accounting program. If you need assistance in this process Linda Case wrote a great book for remodeling contractors on the subject titled, *Making and Managing Money*. This book lays the foundation for creating and understanding your financial statements. The balance of your plan should focus on key goals that will drive your company and assure that you are on track in the process and a personnel plan to assure that you have the right resources required to transform the company.

If your intention is to have a successful plan then it is important to organize a proper planning meeting. You will need a detailed agenda prior to starting the meeting and have a prioritized action plan at the end. You should plan a retreat away from your office and allow at least a day and more likely a day and a half to create your plan. As the entrepreneur you will be tempted to take on the entire project. Avoid this temptation since you will need the assistance of your team or the process is destined to fail. At the same time you will gain buy in if your team helps create the plan and strategy.

The key to effective change is to design accountability into the process. If you do not have good measurements in your company then you will be forced to make many subjective decisions. Good measurements will allow you to measure progress and assure that you are on track throughout the process. You will need to understand that it may take years to achieve your plan and monthly or even weekly tracking improve the chances that you will arrive at your destination at the end of your journey. When you have objective measurements you can now create accountability in the process. Accountability requires that there are consequences and rewards to performance. When performance does not meet agreed upon expectations then there needs to be a coaching or probationary process. If you wish to create an exceptional company then you need to receive discretionary performance from your staff. In turn when you do receive great performance there needs to be recognition and rewards.

As the leader of your business it is your responsibility to craft your vision, consistently communicate to your staff and drive this vision. The vision will be created with the assistance of your leadership team and as a part of your planning meeting. As the owner you have two important functions that will dramatically improve your probability of success. The first is in communicating this vision and keeping it in front of your staff. If it is important to the owner then it will be perceived as important by the entire staff. The second important function of the owner of the company is in high-level marketing activities. If you wish to grow your company and get your staff on board with marketing then you will be the one that leads the charge. Focus on marketing and vision will create your company culture and will bring your company to the next level. This should serve as one of the cornerstones of your plan.

You will find that change is very easy, make a decision to be a different company and craft your plan in detail and overnight you are now a new company. The challenge lies in maintaining this change. The endless phone calls and customer challenges that come your way can become overwhelming. An intense focus and commitment to the plan will be essential. As discussed previously short term victories are an important part of the process. This will keep the staff motivated and keep you on track to success. Achievement of the small victories will also keep you moving on the path to your ultimate destination. It will be important that all the measurements are complimentary and congruent which should be established during the initial plan.

No matter how great the strategy you should also look at the results. Caution should be exercised to not fall in love with your plan. As you progress you will be able to see what is working well and which parts need adjustment. Quarterly retreats may be needed to assess the progress and adjust strategy. As opposed to the initial plan these sessions may only need to be several hours in length and up to a full day. Additionally the leadership team should hold an accountability meeting once per month to measure progress and report on individual goals.

It may seem that this process is arduous and very time consuming. This is true, yet at the same time with a solid plan and a clear vision, the discipline and hard work should have immeasurable results in your business and the personal lives of the entire management team and perhaps the entire staff of your company. The first step in the process is to make the commitment to lasting change in your company. After you have made that commitment then you can assemble the resources to turn your business into a manageable asset.

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