

Free Chapter

Chapter 2 - The Problem

The Problem with Your Business

The problem with the business that you're running right now is that it probably needs to be where you want it to be. More often than not, business owners need to understand that they're heading in the wrong direction to where they initially wanted to go.

Business is a reflection of the business owner's mindset, whether it's their beliefs, their understanding of things, or their view of how things are done. This is why we end up with so many different businesses and approaches to fixing the same problem.

Every business is set up around a problem that the customers want to be resolved. Providing a solution is how you end up with a service. For example, with cleaning, someone's got a home that needs cleaning, and you've got the solution. With accounting, someone has more understanding of how to get the best out of your tax return, and that is the problem, and an accountant is offering a solution to that.

Another example is a builder who has the tools, the knowledge, and the team to build a house to your needs. It's essential to understand the actual problem with your business and realise that there is a need to change.

Self-Employment vs. Business Ownership

Let's be honest, you'd want to spend more time with your family and friends now and again. Your business is supposed to enable you to do that, no matter what day of the week. Nothing should be stopping you from doing what you want or need to do. If you're working in your business like crazy, nine to five, Monday to Friday, and you're still not making enough money, you're still working.

Well, that's not a business that is called self-employed. You created yourself a job. It's imperative to us if that's what you want because if you're talking about a business, typically behind a business, there's a desire to build something that will eventually serve you. It's about putting things in place so that others want to follow you and work

according to your vision and principles. If you still don't know what the hell's going on, let's start by reviewing the vision.

Your Vision and You

Most business coaches typically start working with clients by defining their business vision and mission. Most business owners, however, need help to understand what that means. The simplest way to put this is that your vision is how you see the business as how it does things. Now the mission is the execution of your vision. The whole thing is pointless unless you understand the depth of the vision, the mission and how these things shape your business.

A business typically has a two-year period to prove itself and determine if it is on the right track. If you're not, and the business is struggling within two years, you'll probably throw in the towel and then do something else. At this stage, the vision of the business should reflect your beliefs and project them onto the business. This all needs to be aligned with the problem that you're solving.

Scaling Your Business

If you are passionate about what you do and have found an excellent way to deliver your service, your business model needs to change so that you can serve as many customers as possible. If you don't address this and work alone, you end up as self-employed instead of a business. The main difference between the two lies in how well you can scale your operations by using systems and people. So if you're starting by yourself, you can only do a limited amount of weekly work.

Now, if you really believe that you've got an optimal approach and other people can follow it, and you can serve ten times as many people, the only way to achieve that is by engaging more people. From there, you need to understand why people want to work for you. Is it the money? Is it how you do things or the types of clients you attract? Or is it the process that you follow? Or are there many other factors that sometimes you don't even think about?

Let's look at a business like a cleaning company. Understanding the actual outcome of the business is really to save time for people to spend this time with their families. Or something more significant, like having a comfortable, pleasant home to be in. Realising

this changes the whole dimension of what the business does. Now if you are not just doing the cleaning but helping people out and giving them time back, it helps people in the business feel good about what they do. You can also use some of these points in your marketing and overall business positioning to attract suitable types of customers.

The Impact of Vision

The vision of the business is really about the important things that make a real difference. For example, to grow the economy and to move the entire world to create jobs. If you understand this vision as the business's backstory, then the whole thing changes. So the vision behind the business is super important. The real challenge then becomes translating that vision into the business, which is what the business owner needs to do regularly. Now, with all that in mind, you really need to ask yourself, why are you starting your business? Are you just wanting to make money? Are you just wanting to do something simple? If that's the case, maybe you should buy a franchise or get into the business already set up and take over.

Business owners usually jump into all business areas (at least at the beginning). Optimally, it's best first to understand your strengths and weaknesses as well as to understand where you could fit in. You may possess a skill set in marketing and design. By buying a franchise or going to a business that is struggling in those areas, you can change things around.

Marketing can be compelling and can do many things, like attract the right clients and focus on the right products or services. Sales is another vast area of the business, without which a business won't have any clients.

Ultimately, it all comes down to different skill sets and mindsets. Some business owners find sales to be super easy, while others want to avoid getting involved in sales at all. The key is to align yourself with the right areas of the business. This will allow you to be the best at what you do and delegate the other business areas.

On the other hand, if you are building a business yourself and want things a certain way, you should do the due diligence of analysing other businesses and figuring out exactly what worked and has yet to work in similar businesses. This may help you avoid repeating the mistakes that others have made. I am not suggesting copying other people's businesses, but I understand all the ins and outs of businesses comparable to yours.

The next thing you need to watch out for is good and bad habits. Bringing any habits into your business is then hard to change or even let go of. It's hard because people follow others who lead by example often and need to realise it. The key is to understand the actual habits that impact the business altogether—for example, things like time management, priority setting and communication.

Many people fall enslaved to their businesses, and this happens for several reasons. One of the main ones is that business owners start feeling guilty if they stop working or feel like things may fall apart without them. For example, some tasks will get missed, or people in the business may only be able to carry out tasks with you. The truth is that this is often a result of a lack of processes, poor delegation, and failure of the business owner to clarify and communicate their vision to the key people in the business.

Work to Live or Live to Work?

Work to live or live to work? This is a question my father would often ask me. It's just a great way to challenge yourself to understand why you do what you do. Or if you have the freedom to do what you want through your work. The basis of this comes down to the concept of work-life balance. Just ask yourself these questions. Are you balancing your work and life by spending time with the people you want? Are you focused on the things that you really want to be doing? Or are you feeling held hostage by your business because you must be doing certain things? Does your work allow you to do what you want to do in life? On the other hand, you need to be realistic and understand that certain things in life require self-discipline, as no one else will do them for us.

So where do you draw the line? It's essential for people to understand the overall direction of where they need to achieve their goals. This direction should define what it is that you actually want in life. Some things that people initially identify as their goals, like buying a house or moving into an area they wish to, translate into security or a sense of belonging. Buying a dream car isn't about the car but about feeling better. And if you have yet to figure out precisely what you want to do in life, that's fine, as most people are also trying to discover this.

The main thing is understanding if the work you do or the business you run gives you the flexibility you need to live your life.

If you're already doing something, and you know you're getting pleasure from it, that's great. But if you feel stuck in something that burns you out or makes you hate what you're doing, this really needs to be addressed. Most importantly, you need to

understand where this is all going if you don't address these problems. And if you were to double, triple or even quadruple your business, what would happen then?

Unfortunately, many business owners need to be more consumed by their businesses. As a result, they need to wear more hats. They are commonly engaged in marketing, sales, and reconciliation; they are motivating the employees and doing hundreds of other things. However, if this all gets you satisfaction, it gets you the kick, and you feel like this is what you want to do. No problem. However, it may be just a matter of time until you realise you're tired. And taking a break from this all becomes nearly impossible, as it would feel that the entire business would crumble like a house of cards.

Time is Everything

What would you do if you had more free time on your hands? Unfortunately, most business owners would spend their free time doing things they need to catch up on. That's not really how it's supposed to be. Ideally, we should focus on things that move us forward instead of things that make us stuck or even take us back. One of the main reasons people start businesses is to have more free time. Well, at least that's what the majority of people want. You want to be able to do things you want when you want to do them. And if you are clear about what you want, you'll sooner or later realise that there's a better way to run your business.

If you want to improve anything, you must realise that time management is the starting point. Take the time to analyse this problem, devise a plan and then implement your solution. There are simple inefficiencies in every business that can be easily fixed by better time management—for example, things like multitasking, poor scheduling for tasks and distractions of team members through occasional interruptions. Sometimes implementing time management principles requires foundational changes.

There are many great approaches, and when it comes to time management and improving business, I recommend starting with the 80/20 principle. I found that teaching my team about the 80/20 principles has allowed my guys to focus on the main things and be more efficient, particularly from the perspective of being able to delegate some tasks that are time-consuming, difficult and often simply not in line with the strengths of my team.

If you think of your role in business as the captain of the ship, you need to get a number of things straight. Firstly, the direction of where you are taking your vessel needs to be clear, as people need to follow your path and your lead. Secondly, you need to inspire, educate and motivate your crew in order for them to align with your business vision.

Finally, the ship's captain needs the right tools and guidance to reach the desired destination. This all requires good time management and communication skills.

Let's look at a business like Google, for example. You've got two guys, two founders, currently projecting the vision into 10s of 1000s of employees worldwide. And they do this really well. Working with Google made me realise that things can be done on a scale through clarity, motivation and innovation. Did you know that Google's founders record a video every single morning for the staff worldwide about the changes that are taking place in the company and the things that they're working on? This allows them to connect with the entire Google team and be on the same page with them. It's really quite fascinating. From there, everyone's day is shaped according to their own and their colleagues' schedules.

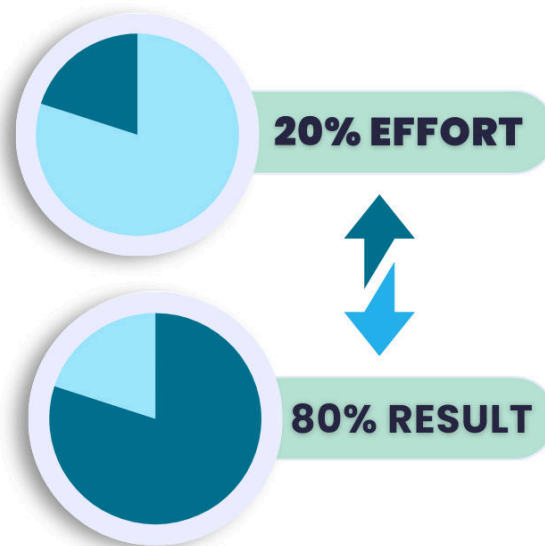
So I think if you learn to manage your time better, you should be able to get more out of your day simply. The key is to focus on the right things that align with your personality and strengths. Then make sure that you're not jeopardising your own time and you're not doing things at the expense of not taking holidays and not spending time with your family, because that's what the whole business should be about. Ensure you understand that time is essential, and we only have a minimal amount.

Start With 80/20

Let's start with the 80/20 principle. The way this chapter is laid out, which is called The Problem, is all about understanding your vision. Whether you live to work or work to live, make sure that you know the whole element of time involved. And then, most importantly, understand where you need to go with all that. Now, the basic principle that works and applies very well is the good old 80/20. There is a book written in 1997 by Richard Kosh called the 80/20 Principle, which outlines the good old Pareto Principle in line with modern business examples. Wilfredo Pareto was an Italian mathematician who analysed economics and found that there was always a principle where 80% of the results were brought in by 20% of the efforts. If you really look into this closely, you'll find that within your profit, 20% of your services will bring you 80% of your returns, and 80% of your problems will come from 20% of people.

With the 80/20 analysis of business services, one thing stands out. I like to look at this as the whole specialist versus generalist approach, which comes into where the services generating you a higher amount of money is typically from you being able to specialise in those services. So if you can let go of everything else, this is where you become a true specialist. You can call this niche within a niche of your business or

focus on the service area in your industry. The best example that I can give you of this is with specialist doctors. So, you can have a general practitioner, a doctor who charges relatively low compared to a specialist doctor. And if you're going to go to a specialist, this person wouldn't blink to charge you hundreds of dollars for a half-hour appointment. This is because they specialise in something you need a solution to, and you'd be listening to every word they say when you see them. So that's the difference between a generalist and a specialist you can apply in your business. You should always strive to be that special because this is where the 20% applies to you, focusing on building a profitable and scalable business.



Now, if you're stuck in the same business in terms of being a generalist, here are a few reasons why. Most commonly, low-value customers will waste your time and not spend the money. If you continue with those non-ideal customers, you'll start getting referrals from identical types of people. An excellent example of this is getting referrals because you offer a cheap service. Also, if you start to do things in a certain way, you'll end up with many referrals and customers coming in that same way. So it's almost like you build a magnet that attracts the same sort of people, and I find that quite impressive.

If you feel stuck in a business that is not really getting you the money, and you're wondering, where is all the money going? Well, I've got news for you: you're doing the same thing and expecting different results. Albert Einstein called this insanity. That was his definition of doing the same thing and expecting something different. It's evident once you look at it from a different perspective. You need to do that to see where the problem is. Sometimes it's not as obvious, and you need somebody else to give your opinion or show you the factors causing the problem.

If you've been in business for long enough, you've probably found your ways of putting out fires but not knowing the source of your problems. The first thing you need to do if you want to change is to stop. Take this time to review your activities and your goals and see if they are aligned. If they are, look at the recurring problems within your business like lead generation, conversion rate, customer satisfaction and cash flow. For all you know, you may be running a business that everyone is happy about except the main person, you. This should make you realise that you've entered a rat race rather than a business.

80/20 can be a challenging exercise, but I have not met a single person who's regretted the change. Start working on your specialisation and time management, and start prioritising things. Start saying no to non-ideal customers and start focusing on services that you profit from the most. We all want to make more money while having better clients. We all want to spend more time with our families and do the things we enjoy in life.

Chapter Summary

- 1. Your business is a mirror of your mindset. Reflect and realign.**
- 2. Clarifying your vision transforms your business.**
- 3. Scaling requires understanding why people want to work for you.**
- 4. Effective time management is a game-changer.**
- 5. Your business should support your life, not consume it.**

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