

CRUNCH TIME QUESTIONS TO SURVIVE IN BUSINESS

These series of questions and statements were originally contained within a an insightful web article by Colin Thompson, the internationally renowned management consultant. These questions and statements are a very useful tool to help focus and improve your thoughts, future Strategy, and ctions within your business.

Good questions can illicit good, thoughtful and insightful answers. Bad questions tend to generate bad answers. The quest is to be able to select the right questions at the right time. Here is a list of questions that are incredibly powerful – they precipitate a further analysis of a series of issues and often challenge a series of assumptions, a shaky foundation, upon which a whole empire may have been built.

These questions can be used by the business owner or by an adviser. Several questions can be selected and act as the starting point for an exploratory discussion about the business. Alternatively, you may like to ponder the real answers to these questions. Do not simply give the glib, off-the-cuff answers, but think carefully about what your answers actually imply for the business.

1. Strategy Questions

- ✍ What business are you in?
- ✍ Where do you make the money?
- ✍ How good are your competitive positions?
- ✍ Is this a good sector / industry to be in?
- ✍ What do your customers think?
- ✍ How can you raise profits quickly?
- ✍ How do you build long-term value?
- ✍ What do you do differently from other businesses?
- ✍ What investments underpin your differences?
- ✍ What are your key sources of competitive advantage?
- ✍ What do you need to do to make a difference?
- ✍ What must you keep?
- ✍ What must you lose?
- ✍ How could you simplify your business so that you could raise value by at least 50%?
- ✍ Isn't your strategy rather complex? Aren't all great strategies very simple?
- ✍ Does head office/administration destroy more value than it creates?
- ✍ What is the key idea, your business concept?

2. Marketing Questions

- ✍ Who is your target customer, your client base?
- ✍ What do you really know about them?
- ✍ Describe a typical customer in detail.
- ✍ What problem are you solving?
- ✍ Why do people buy your product at all?
- ✍ Why do people buy your product from you?
- ✍ Why does your typical customer buy from you?
- ✍ Which clients are cool?
- ✍ Which clients drive you mad?
- ✍ Should you be working with them?
- ✍ What benefits are you offering that your competition doesn't?
- ✍ If you could use just two sentences to describe what your business stands for, what would they be?
- ✍ What is your company known for?
- ✍ What's your value proposition to customers that they can't get anywhere else?
- ✍ Who are your most profitable customers?
- ✍ At what rate do they leave you?
- ✍ Why do they leave?
- ✍ Who is your most serious competitor?
- ✍ What are their plans?
- ✍ And what are their costs, profits?
- ✍ Do you really know what customers think about you?
- ✍ Who are currently just new/minor threats?
- ✍ Do you have a product/service that is sharply different from that of your competitors?
- ✍ Are you supplying the right things?
- ✍ And in the most effective way?
- ✍ And at the lowest possible economic cost?
- ✍ Are you as good or better than you're best competitor?
- ✍ Are you serving the widest possible market?
- ✍ Are you in some way unique?
- ✍ Is there a reason why people should buy from you rather than from someone else?

3. Leadership Questions

- ✍ Would God have a good laugh if he saw your business plan?
- ✍ What keeps you awake at night about your business?
- ✍ What are your Objectives? What are you trying to achieve?
- ✍ What are the barriers, the obstacles, to achieving your objectives?
- ✍ What will enable you to overcome the barriers, and/or achieve the Objectives?
- ✍ If you had a magic wand, what changes would you make to the business?
- ✍ What is stopping you from making your magic wand changes now?

- ✍ What three things are the most critical to the success of the business?
- ✍ What will you be remembered for?
- ✍ What do you need to do to be memorable?

4. Financial Questions

- ✍ Which 20% of product makes 80% of profit?
- ✍ Which 20% of your time makes 80% of the profit?
- ✍ Who are your top five customers and how much contribution did they generate last month?
- ✍ What is the current break-even point?
- ✍ How long can you last if all your current outstanding invoices (debtors) are not paid?
- ✍ How much money are you owed?
- ✍ How much money do you owe?
- ✍ Which customers are unprofitable?
- ✍ Which products should you raise the selling price on now?
- ✍ What inventory (stock) is a waste of space?
- ✍ How can you lower the cost of sales for each product line?
- ✍ Which under-performing product lines should you drop now?
- ✍ Which product lines should you concentrate on selling more of?
- ✍ Which overheads can be reduced sensibly?
- ✍ When did you last check the prices you are paying for your key supplies?

5. Questions For You

- ✍ Do you ensure that everybody is working together towards agreed and shared objectives?
- ✍ Do you criticise constructively - and praise merit as well as find fault?
- ✍ Do you encourage and organise the generation of new ideas?
- ✍ Do you insist on and organise the highest standards of execution?
- ✍ Do you keep close and productive contact with customers (internal and/or external), suppliers and other parties outside the business?
- ✍ Do you monitor activities continuously, with effective feedback?
- ✍ Do you develop the individual and collective skills of the team and strengthen them as needed by training and recruitment?
- ✍ What is success for you?
- ✍ What is success for the business?
- ✍ What does your business stand for?
- ✍ Is the work you do, exciting or dull?
- ✍ Is what you are doing exciting? Or challenging? Or just plain dull average and mediocre?
- ✍ So what is it that you do that is so exciting?
- ✍ Does what you do, matter?

- ✍ How could you raise the impact?
- ✍ Are you pushing or leading or goading your clients?
- ✍ How do you eat an elephant? (Answer: In very small pieces).
- ✍ If your business were an animal, what would it be and why?
- ✍ What animal would you wish your business to be and why?
- ✍ What do you need to do to get your business from being the animal that it is, to become the animal that you wish it were?
- ✍ If your business were an island, what sort of island would it be?
- ✍ Running your business is like riding a bicycle because ..?
- ✍ If you could work half time, what would you do to double your profit?
- ✍ What would Richard Branson do if he took over your business?
- ✍ What would your closest rival do if they took over your business?
- ✍ What would a raw-meat eating aggressive capitalist do if they took over your business?
- ✍ What would someone you respect do if they took over your business?
- ✍ Where will you be in three years' time?
- ✍ So, where will you be in one year's time?
- ✍ So what do you need to do now?
- ✍ How can you get luckier?
- ✍ What excuses do you tend to use?

6. And Some Crunch One-Liners To Give You Some Food For Thought

✍ **Brand it**

You cannot not communicate your brand. Everything about your business communicates something. So, what is it that you want to be communicating?

✍ **Brand YOU**

Treat yourself like a business treats its brand. You need to plan and create a strategy for communicating what it is that you represent, what it is that you do, and where you want to be seen and what you want to be know for. What is your Unique Selling Point (USP)?

✍ **Sort it - stop procrastinating - do it now**

Stop procrastinating. Sometimes it is better to make a decision, one way or the other and look at the results, rather than make no decision at all. Paralysis by analysis is the disease of the undecided and the uncommitted.

✍ **Keep it**

Get your customers' permission to sell to them

Traditional mass-selling techniques are simply not effective and have low success rates. Look for customers to give you permission to stay in contact with them. Customers who have given you permission to have a relationship with them are ten times more likely to spend money with you.

People love to buy from people, but they hate to be sold at. In today's one-to-one marketing world, customers hate to be sold at by badly trained salesmen. But, customers love to buy products from you. Seduce them to your business but do not treat them like morons.

Establish and control your key indicators

If you don't know where you are going then any road will do! Make sure you are measuring the right stuff. What are you trying to achieve and will hitting your performance measures enable you to achieve your goals?

Spend a day with weird people

You get out what you put in. If you spend all your time with boring people in boring meetings then you are bound to dampen your creative edge. Somehow your thinking has got to be different from that of your competitors. One of the best ways to sharpen your thinking is to spend some time with people who come at almost everything from a wacky angle. Celebrate the differences and see if you can't find a better way of doing things.

Advise others

The best way to learn is to try and teach others. Work with a business colleague to help to improve his/her business. The process of analysing their business will sharpen your critical skills that you will subsequently apply to your own business.

Lead from the front

Can you lead from anywhere else?

✍ **Work the 80:20 principle**

The principle of the vital few and the trivial many! 80% of profits come from 20% of customers; 20% of profits come from 80% of customers. If you want to work smarter, focus on the highly effective and ignore the rest!

✍ **Strategy is all about trade-offs**

Strategy is all about planning while being aware of the business environment. Strategy is about being clear about what you do and what you don't do.

✍ **Create marketing space**

Separate yourself from the competition. Make yourself different.

✍ **Manage the team**

Take some responsibility; they won't simply manage themselves.

✍ **Remove the wrong people**

If you have got the wrong people in post you have three choices. You can sack them, you can train them or you can put up with them. Decide what you're going to do and get on with it.

- ✍ 95% of people earn within 5% of what they think they are worth
People, who think they are worth £20,000 a year, live, breathe, dress, and behave like £20,000 a year people. They only bother to apply for £20,000 year jobs. People, who think they are worth £100,000 a year, live, breathe, dress, and behave like £100,000 a year people. They only bother to apply for £100,000 year jobs. If 95% of people do earn within 5% of what they think they are worth, then how much do you think you should earn?

✍ **Remove your self-limiting beliefs**

What limits have you set for yourself sub-consciously? You are what you believe. If you believe that you cannot swim, then you will not be able to swim. If you believe that you are frightened of flying then you will be frightened of flying. How do you limit yourself?

✍ **Stop unprofitable activity**

Do you know how profitable you are, by customer, by product, by channel? And if it isn't profitable then why are you doing it? What excuses are you using to continue to do unprofitable work?

✍ **Focus on the important**

Know the difference between what is urgent and what is important. You must know what things are really important to you or to your business. And, if you know what is really important then you know what is less important and what is really unimportant. What excuses do you use to work on anything but the most important?

✍ **Be first in the customer's mind** (and if you can't be first in a category then create a new category!)

People love to buy from Number One in the category; they believe that Number One is better than the rest (otherwise why would they be Number One?). So you can always be 'Best in the West', 'The first Mexican takeaway', the 'Original one-stop shop', 'The only printers with a money-back guarantee' and so forth. If customers love the leader then find a way to lead.

✍ **Feel the fear and do it anyway**

Fear is a perfectly natural emotion. If you aren't sailing close to the wind then you are probably not taking enough risks. Acknowledge the fear and make a calculated decision. Use the adrenaline and energy that the fear creates to work for you rather than against you.

✍ **Infect your staff**

Infect your staff with an enthusiasm and excitement for your customers and for the business. Make your staff involved; do not treat them like fools but with the respect that they deserve. After all you can't live out any of your dreams on your own - you need your people to do it for you.

✍ **Infect your customers**

Delight your customers. Your customers are your most powerful marketing tool. They can get you more business than any multi-million pound advertising campaign. Get your customers talking about you and being proud to be associated with you and your company.

✍ **Seek first to understand, and then to be understood**

You have two ears and two eyes but one mouth. When communicating use them in that ratio. Listen, look and speak. You need to understand where your audience is coming from before you can help them. To do any less is highly presumptuous.

✍ **Watch your attitude**

Your attitude leaks like radioactivity. Everything you do communicates how you feel about what you are doing. So, what messages are you communicating, consciously or unconsciously?

✍ **Work on, not in your business**

When Ray Krock started McDonald's, he never intended to work in the business cooking beefburgers; he always intended to work on growing the business. If you work in the business then you cannot work on the business. How much time do you need to spend working on the business rather than in the business?

✍ **Spend more time thinking and less time doing**

As you rise up through an organisation you will progressively spend more and more of your time thinking and less and less of your time doing. The role of the leader of an organisation is to spend time looking down on what is going on and taking the broad view.
Less is more - simplify everything

The simpler the concept, the more power it has. Use your time and your resources with care.

✍ **Know where you are**

Unless you know where you are then how can you map out the route to where you wish to go? Be clear about exactly where you are.

✍ If you don't know where you're going, then any road will do Unless you know where you are going then how on earth do you expect to arrive there? You will be like a rudderless boat in the middle of the ocean being buffeted by the storms and with no direction home.

✍ You don't get your great ideas sitting at your desk

- ✍ If you always do what you've always done then you will always get what you've always got
- ✍ Cut the excuses - just do it
- ✍ Spend more time with outsiders
- ✍ Customers or suppliers will give you more ideas about your business than five hours in company meetings.

✍ **Ask stupid questions**

Think the unthinkable and say the unsayable - how else will you be different from your competition?

✍ **Stop helping people - let them fail**

Only by making their own mistakes will your people learn

✍ **Don't shy away from passion**

✍ **Keep it simple!**