

The Grit to Grow Your Business

"WHAT BEGAN AS A MOVE TOWARD GROWTH AND INDEPENDENCE HAS GROWN TO CONSUME MORE RESOURCES, CREATE NEW PROBLEMS, EAT UP MORE TIME AND MULTIPLY OUR STRESS."

THE GRIT TO GROW YOUR BUSINESS

“Martin, I’ve had it with growing my business and your push-through stuff.”

It was a text from a client. I called him.

“What’s up?” I asked.

“I’m going back to just me. I can’t depend on these guys I hired. If they show up, they mess up. I spend most of my time fixing their screw-ups, and I still have all of my work to do. They’re ruining my reputation, I’m out of cash, and I couldn’t pay myself last week. My life was better when it was just me. A lot better.”

“Okay, but before you do anything drastic, let’s talk about why you wanted to scale up in the first place.”

PROMPTING PAINS: THE NEED TO GROW YOUR BUSINESS

When Winston Churchill made his comment about going through hell, he was speaking to the English people during the grim, early years of WWII. He could just as well been talking to my client during his grim “push-through” period.

Push-through is the transition between a solo operation and a scaled up business that leverages resources to earn more while requiring less from the owner.

Push-through begins when we decide we have been working too hard for too little.

At first we are excited, and maybe a little frightened, to run our own businesses. We’re our own bosses, and nobody tells us what to do. We know how to do the work, and we’re good at it. Best of all, we get to keep all of the money. No more of working our tails off to make someone else rich!

As the excitement wears off, we begin to realize that we're working more hours. We're doing all the work, shouldering all the responsibility, and dealing with an unending list of things we were not prepared for such as taxes, bookkeeping, marketing, sales, insurance, accounts receivable and so on and on.

Yes, we get to keep all the money, but we also get to pay all the bills.

Worst of all, there is no one to else blame if we don't have enough cash to pay ourselves.

As solopreneurs, we're trading time for money. If we're sick or take a vacation, the work and revenue stop. Trading time for money is the definition of a job, but this job comes with huge extra burdens, and our potential is always limited by our personal capacity to get things done.

There has to be something better.

DECIDING TO GROW YOUR BUSINESS

After a few years of that, we start thinking maybe it would be a good idea to grow the company and to get some help. That means we need people. Someone to answer the phone or keep the books. Someone to pick up the other end of the pipe, or to keep the job running while we're out bidding jobs and collecting receivables. Maybe even someone to run extra jobs so we can increase our sales.

Seems like a great idea.

If we can pull it off, it will be worth it. We'll continue earning while we work "on," rather than "in," our businesses. We'll make money while we're on vacation, and we won't have to be the expert in marketing, sales, taxes

and all of those other things. We will bid more and larger jobs and grow our sales, earnings and reputation. Maybe we'll expand into other markets. That's the idea anyway.

Then the push-through sets in.

GROWING PAINS: THE CHALLENGES OF SCALING YOUR BUSINESS

We quickly discover that adding people adds issues such as finding, hiring, training, directing, and holding them accountable - and, it adds payroll. Unlike us, our employees won't tolerate a missed paycheck, which means we need more cash.

We also need more cash to equip the new crews, to rent a larger space, to pay for parts and inventory, and, always, always, to fund those infernal accounts receivable.

And if that weren't bad enough, we have to come up with the cash while earning lower margins.

We find that a billed hour of employee time is not the same as a billed hour of our time. They're slower than we are, make more mistakes, and we have to pay them. It can take two, three, four or more of their billed hours to equal one of ours.

Until we bill at least a break even number of employee hours we earn lower margins which means we have to keep working jobs to bring in enough money to pay rising expenses.

NO PAIN, NO GAIN

During push-through we're working more for less, and that's discouraging.

We begin to lose sight of the goal. What began as a move toward growth and independence has grown to consume more resources, create new problems, eat up more time and multiply our stress.

It's easy to understand why my client wanted to go back.

The push-through phase is no place to get stuck. The way out is to follow Churchill's advice and keep going. Better yet is to plan for push-through before committing to scaling up.

PREPARING TO GROW YOUR BUSINESS

Preparation begins with understanding that:

- We have to have a **vision** for the future. If there is no reward in sight, the required effort is unsustainable.
- A scaled up business is worth it. By leveraging people and resources, we can work less and earn more than we ever could as a solopreneur. If we're going to keep trading time for money as solopreneurs, we would be better off working for someone else and letting them do the worrying.
- The push-through phase is inevitable. It is going to happen to us. We are not failures or losers when it does.
- We are going to have to work more before we can work less.
- Scaling up is always a balancing act. Do we get the people before we get the work, or do we get the work before we hire the people? (As a coach, I say get the right people first. Good people are harder to find than sales, and the right ones will multiply rather than diminish your capacity.)

- Cash is always the critical resource. Sales and profits are meaningless if we don't have cash to meet today's obligations. We can prepare by building a [cash reserve](#) before committing to scaling up.
- [Organization](#) matters. Push-through will be far easier if you've thought through the roles of new hires and have written systems describing who does what by when. That sound like a lot of planning for a solopreneur, and it is, but it's far easier to do in advance than to try to organize a business in the push-through stage.
- We can't afford to settle for less than the best when hiring new people. [Hiring](#) is a skill we can and must learn, and the sooner we do it the better.

Forewarned is forearmed. Scaling up our businesses is worth the effort, especially when we have acknowledged and planned to minimize the symptoms of the inevitable push-through phase.

HOW ABOUT YOU?

Do you know that you need to grow your business? recognize the push through phase? Have you been through it? Are you living it now?

If you have any further questions, please don't hesitate to mail me at Martin@annealbc.com or visit www.annealbc.com



Martin Holland

Martin Holland is the son of a successful entrepreneur. He grew up hearing about margins and markets, R&D and sales, risk and return on investment. He learned to love the language and rigors of business and grew to believe that business is both the most human of all endeavors and the highest calling. After selling a company in 2011, Martin became a coach in order to help other owners build profitable businesses that do not require their day-to-day involvement.

A native of Norman, Martin earned a B.A. degree from Hastings College in Hastings, Nebraska and a Masters in Business Administration degree from the University of Oklahoma. Over the past 7 years he has written business plans that have raised over \$52.4 million in bank and investor financing. He has helped 157 (and counting) business owners reduce stress and increase performance through clarity of purpose, better marriages, more money, and more free time away from the business.