

# Is It Time for a **BUSINESS TUNE-UP?**



By Robert W. Lyons, FRCI

## TAKE A SHORT QUIZ AND ANSWER THESE 10 QUESTIONS ABOUT YOUR BUSINESS:

1. Did your sales team meet its goals for last year?  
 Yes     No
2. Did your company meet or exceed your business plan goals for revenue the past three years?  
 Yes     No
3. Did your company meet or exceed your business plan goals for profits the past three years?  
 Yes     No
4. Do you feel you have a clear operating business plan and strategic charter for the next 12-18 months?  
 Yes     No
5. Do your current marketing strategies deliver a clear, differentiating message to the marketplace today?  
 Yes     No
6. Are you easily able to hire and retain top talent?  
 Yes     No
7. Do you feel all your department heads and field staff are doing the best job possible?  
 Yes     No
8. Do you feel you are giving your employees adequate training for their duties?  
 Yes     No
9. Do you have a good customer satisfaction verification plan in place?  
 Yes     No
10. Do you know your current litigation risk or exposure due to compliance or regulatory training gaps?  
 Yes     No

If you answered no to three or more of these questions, it's time for a tune-up. It doesn't matter if you own a small, medium-sized, or larger company; you can benefit from this process.

Does your company hit on all cylinders? Are you in a stall? Do you experience difficulties with the following?

- Growth of revenue
- Attainment of profit goals
- Expansion of client base
- Diversification of vertical markets
- Recruitment and retention of exceptional employees
- Negativity regarding systems and processes
- Development of best organizational structure
- Feeling overwhelmed with day-to-day operations

Well, you are not alone. The more successful your past, the more challenges you will face in the future. Growing from a small- to medium-sized company, then into a larger company, presents unique challenges at each echelon of growth. A third-party expert brought in to conduct a business audit will provide an unbiased assessment and direction on what to do.

Considering we work in an industry that is used to giving lots of advice, we rarely seem willing to seek or accept any for ourselves.

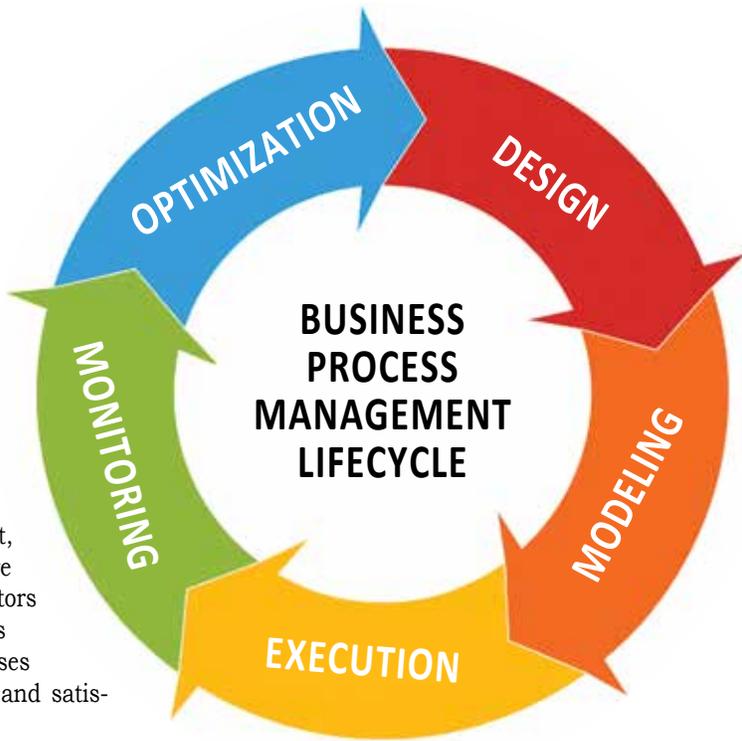
Who is this third-party expert? He or she could be an independent consulting company, a business advisor, or a trusted colleague whose success you admire. It is someone with decades of expertise in your specialty industry. It is a person with a "been there, done that" perspective. It is someone with skills to quickly and accurately identify obstacles and problems and then deliver sound recommendations and solutions. It is someone not inhibited by the internal politics or so close to the situation that he or she cannot see the forest for the trees.

The typical process for conducting this type of business audit includes the following reviews and assessments.

1. Business plans for the past three years
  - Revenue goals
  - Profit goals
  - Human and capital resources necessary to accomplish goals
  - Actual results



2. Organizational chart
  - Human resources are a key element of the service industry.
  - How do you recruit?
  - How do you interview?
  - How do you test your candidates for personality and aptitude?



As one smart business authority noted, “Remember, the only thing worse than having a trained employee who leaves is to have an untrained employee who stays.”

3. Management team résumés and performance appraisals
  - Strengths
  - Weaknesses
  - Accomplishments
  - Detailed job descriptions
  - Metrics to measure performance
  - Compensation plans tied to performance
4. Services and fees
  - What services are offered?
  - How well and efficiently do we perform them?
  - How profitable are they?
5. Client lists/vertical markets
  - Client breakdown as a percent of total revenue
  - Vertical markets penetrated
  - New markets available
6. Branding and marketing programs
  - Cohesive message
  - Unique selling proposition (USP)
  - Sufficient collateral materials
  - Website and social media effectiveness
7. Sales processes
  - Sales training
  - Sales reports and tracking
  - Sales management structure
  - Estimating
  - Proposal preparation/format/presentation
  - Closing percentages

8. Competitors past, present, and future
  - List of competitors
  - Their strengths
  - Their weaknesses
9. Customer service and satisfaction
  - Responsiveness (turnaround time)
  - Satisfaction surveys
  - Client retention
  - Collections

The expert audits and assessments can be basic and cursory or very detailed and in-depth. Consequently, these costs can range from a few thousand dollars to tens of thousands of dollars. Prices depend on company size and complexity of issues being evaluated.

Benefits and payback to a business owner have enormous potential. Revenues and profit increases can be dramatic. Company performance outcomes also greatly increase from systems and process improvements. Negative feelings caused by being overwhelmed and frustrated change to a sense of confidence and accomplishment.

Some consulting firms, contractors, and manufacturers in our industry operate with a degree of paranoia. This is especially true of first-generation owners. They are prideful and protective of the companies they have created. In the beginning they made all the decisions (right or wrong), and things worked out. They held their company information close to their vest. They were afraid they would reveal some trade secret or process that would give their competition an advantage. They kept doing things the same way for decades because “that is how we have always done it.”

This is not a long-term model for growth and success. Change is inevitable. Change is hard. The most common mantra of

employees is “change is good as long as someone else is doing it.”

RCI, however, is a perfect example of how collaborative effort raises the bar for everyone. This was one of the early goals for RCI. Bring professionals together to share information and technology, thereby improving everyone’s knowledge and professionalism in the process.

Don’t be afraid to let someone help you and your company improve. Don’t be reluctant to look inside and make tweaks and changes to your business processes.

Lastly, return the joy and fun to your business. 📺



Bob Lyons

*Bob Lyons, operator of Best Practices Consulting, LLC, is a 40-year veteran of the roofing industry. He has worked in all phases of the business, from employment with a major roofing system manufacturer, to being a*

*licensed roofing contractor, to owning several roof-consulting firms. He was the cofounder and first two-term president of RCI and was named as RCI’s first Fellow. Lyons has served on numerous committees, spoken at dozens of conferences, and written scores of articles for industry journals.*

## VERTICAL MARKETS