
6 Steps to Turn Your Business Into an Asset

LOVING YOUR BUSINESS 

with Debbie King

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What You Really Want

When you started your business, you wanted the freedom to run it your way. To decide what you did, when you did it, how you did it, and where. But as your business grows, you start feeling trapped instead of free.

You work hard. But you're frustrated because your marketing isn't working, cashflow is a problem, you can't predict or plan, your team isn't executing, and you have to do too much yourself. You feel stressed and exhausted.

It's easy to think if you just create the right marketing campaign, hit the next financial milestone, put together the right team, then you'll have it all. But no matter what you do, it's never enough. That's because, in addition to creating a business, you also created a trap.

If this sounds familiar, there is nothing wrong with you, and the solution is easier than you think. It's easy to forget that the purpose of owning a business is to ***add value to the world and create an asset that works for you***. What you really want is for your business to take care of you. It's time to change the way you think about your business and the way you run it.

Now is the time to turn your business into an asset.

When your business is an asset, you'll never feel trapped by it again. You can scale it, sell it, pass it down or take on the chairman role and remove yourself from the day-to-day. Your business is an asset when it runs without taking all your time, is a leader in a niche market, with solutions that scale, positive cashflow, and recurring revenue.

The most important thing to do is to increase the value of your business and treat it like an investment. That's what will create the time, money, and sense of accomplishment that spells real freedom to an entrepreneur.

1 Mindset.

At first I used willpower and grit to grow my technical consulting business but hit a wall once I exceeded \$2M/year in revenue. The problem wasn't my business. The problem was my mindset.

Separate your identity from the business

Recognize that your business is not you. You OWN the business. When your business is your identity, your brain thinks your survival is at stake, and every decision feels like life or death.

When your survival is at stake, you'll try to control everything. You'll overwork, over-manage, try to be perfect, create complicated businesses to prove how smart you are, and try to accommodate every exception to keep the money coming in. These are the exact things that LIMIT your growth! Using willpower and grit will just exhaust you and your staff.

Then we blame our business for taking all our time and making us unhappy. Subconsciously our brain believes more growth will equal MORE PAIN, so sometimes we even sabotage our success. When in reality we're creating the problem with the way we THINK about our business.

Decide on Purpose to Love Your Business

Here's what they don't tell you in business school: ***the most important thing about your business is the relationship you have with it.***

The way you think and feel about your business drives every decision you make or don't make, every success you have, and every failure. It's responsible for how profitable it is and how much time you spend on it.

This is not some new flavor of "woo." If you don't love your business, no one else will either. Not your clients, not your team, not the market.

It's easy to love your business when it's an ASSET.

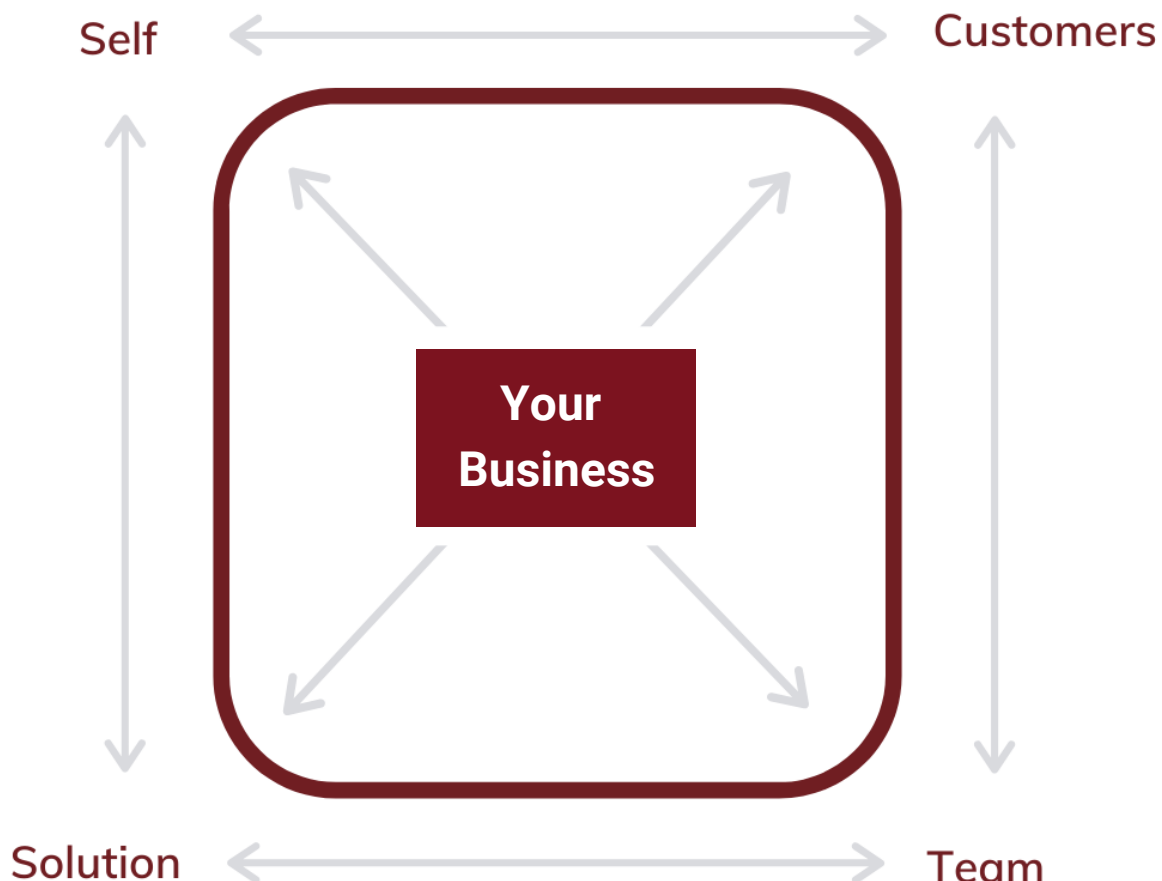
action.

Your relationship with your business consists of how you think and feel about yourself, your customers, your team, and your solutions.

Just like any other relationship, your relationship with your business doesn't happen **to you**. It's something you create with your thoughts and feelings. What's so great about that is you can take action to change it for the better.

How would you describe your relationship with your team? Your customers? Your solutions? And what about your relationship with yourself? Write down your thoughts and feelings about each of these connections.

Next, separate the FACTS from your THOUGHTS. Client canceled is a fact. "This is a disaster" is a thought. Employee made a mistake is a fact. "No one does it right" is a thought. "The proposal wasn't accepted" is a fact. "I don't know what I'm doing" is a thought. These thoughts make you feel bad and affect the way you act as a leader. And they are completely optional. Choose your thoughts on purpose so that you respond rather than react.



2 Focus.

It may seem counterintuitive but the best way to turn your business into an asset is to constrain your focus and narrow your niche.

The single most important factor that determines the value of your business is your market differentiation. When you constrain your focus, narrow your target market, then carve out a **niche**, you can differentiate your business in the market. The narrower the niche, the better.



In your marketing, you explain to your niche how your solutions address their specific issues and problems. You communicate your value so clearly you'll be the **ONLY** company they want to work with. You're able to do this authentically when you specialize in a niche because you make it a point to understand everything about them and their world. You know what they need and exactly how to add value. They trust you, and it feels great.

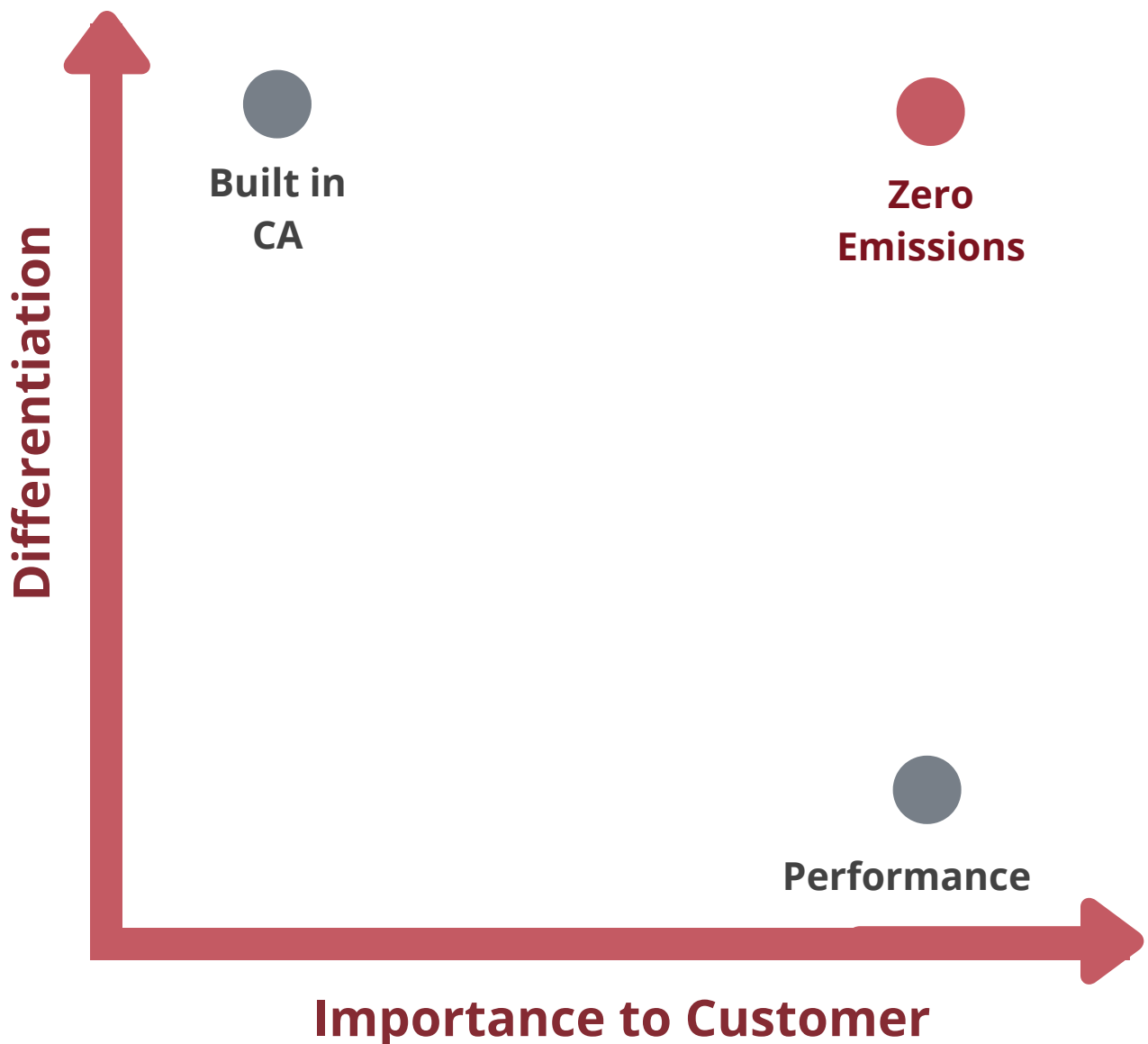
When you focus your attention on identifying and solving the problems faced by your niche, you'll discover something very important: **common problems for your niche spells "opportunity" for you**. Solving these problems is how you add value. Packaging those solutions is how you scale.

action.

Your solutions must not only be differentiated, they must be unique in a way that matters to your niche.

In the example below, it was not enough that Tesla was the only car manufacturer in CA (not all customers cared) or that they made high performance cars (there were lots of other high performance cars). But when they focused on zero emissions, their marketing took off because it scored high on both factors for their niche: affluent individuals desiring stylish electric vehicles.

Recreate this graph and find the optimal differentiation for your solutions.



3 Strategy.

Turn your services into solutions. A solution is different from a service. It's like the "product" for a services business. Imagine creating a brand new, high-production film like Star Wars for everyone who wants to see a movie. You'd never do it because it wouldn't scale. Yet so many of us do the equivalent in our business. What if instead you offer each new client a ticket to the one film you create - your solution. Your solution (or product) solves your client's problems and uses your unique process to do it. One of the best things about products is that you can charge for them in advance. We expect to pay in advance for products. This means your customers become the source of your capital, and you don't have to use your business line of credit or personal funds for reserves and expansion.

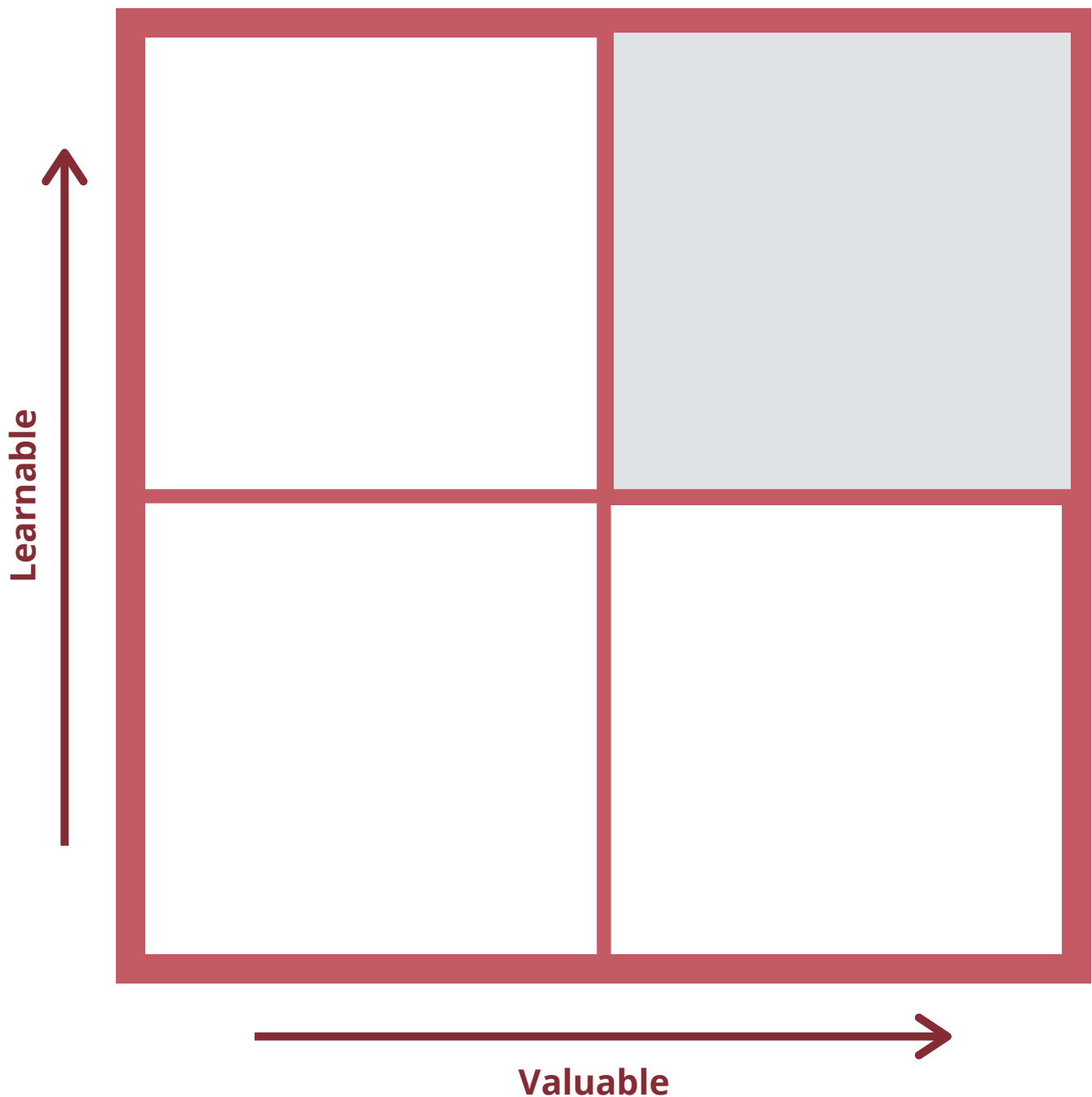
With a "productized" solution, you train the customer. Use all of your experience, wisdom, and market research to ensure that your solution adds as much value as possible to your niche and solves their key pain points. Then train your customer how to use it. That way, they join your ecosystem, freeing you from the vortex of trying to understand their specific exceptions and unique business rules. Your customer and their feedback become a key part of your value creation process as your solutions evolve and improve with each new customer.

Your systems and solutions are your company's intellectual property. Even if your solution is a standard process, with templates, checklists, or videos that you deliver online as part of your service, it has value and can be marketed as a product. Anything that is repetitive and everything that is similar should become part of your solution. The way your business does what it does is valuable, especially if you have been in business for more than five years. Harness your wisdom into solutions for your customers, and your intellectual property becomes an asset too.

Any service can be systematized and converted to a solution. This concept applies to all professional services providers and companies. Accountants, management and IT consultants, marketing agencies - every business that provides services can package their services into solutions.

action.

The key to turning your services into solutions is identifying which are the most learnable and valuable. Plot all the things your business currently does on the graph so that you can identify the best candidates to focus your attention on as you scale. Find those things that are most valuable to your niche and easiest for your team to learn and your company to systematize. Focus on only those things in order to scale.



4 Money.

Not all revenue is created equal: you want recurring revenue.

There are 3 main reasons recurring revenue is good for your business:

1. It increases the Lifetime Value (LTV) of a customer. This is the amount an average customer will spend with you over the life of their relationship with you. Customers that pay more often spend more when compared to a large one-time purchase. When the LTV is higher, you can spend more to acquire new customers - you can increase your Customer Acquisition Costs (CAC) and still generate more profit.
2. It's predictable, which decreases uncertainty. Uncertainty always = risk. The less risky your revenue is, the higher the value of your business. When your revenue comes in on a consistent basis, such as monthly, it also smooths out the supply and demand curve, making it easier to plan and allocate resources.
3. Customers who have a long-term relationship with your company are more likely to buy additional things in the future. Over time, they come to depend on and trust your company. Because you're close to them, you're able to understand them and create more solutions they need.

At first it may seem challenging to think of ways to deliver your value so you are paid on a recurring basis. But it's worth it because it stabilizes your business and increases its value. If you can't think of a way to create recurring revenue with scalable solutions, the only reason to keep doing what you are doing is if you truly love it and it's your passion. But if you already leap out of bed each morning feeling great about your business, you probably wouldn't be reading this document.

Collect payment IN ADVANCE so that you have positive cash flow.

When you market your solutions as products, customers will pay in advance. As a society, we expect to pay in advance for products. The same is true in recurring revenue models. Your customers become a source of capital, reducing your reliance on lines of credit. During periods of growth - or contraction - having positive cash flow will keep your business secure.

action.

Your business is already generating revenue.

Marketing solutions as products that generate recurring revenue and charging in advance is a different (and better) way. It makes your company more valuable because it scales, and that's a better investment for you.

Monthly. Start by looking at the solutions you put in the upper right of the chart on Page 7. Now brainstorm the answer to this question: what are all the ways to charge a monthly fee for these solutions?

Ideas. If you need ideas, think of things in business that are now priced on a recurring revenue model - software, music, books, wine, clothes, flowers.

Monthly memberships exist for niche information and networking, premium "front of the line" access to specialized services for a monthly fee, bundled services for a flat monthly "peace of mind" fee.

Can you automate and create an online self-service solution? Package your company's expertise in online training videos or courses?

Winning. You must believe this is a win/win for it to work. Why is this better for your customers? Ex: lower initial investment

5 Numbers.

Make friends with your numbers. You can't fix what you don't see. Create an easy way to measure the key numbers in your business.

The common business term for this is Key Performance Indicators (KPIs), but that's just another way to say "important numbers." There is no one "right" set of KPIs and what to measure is up to you as the owner. But the magical thing about KPIs is "what gets measured gets done."

You only need to pick 5-7. Watch them closely. Think of them as a heart rate monitor - they measure the health of your business. I'm sure you already compare your % change in revenue and profit, but keep in mind financial KPIs are lagging indicators. They tell you what has *already happened*. Balance them with KPIs that give you an idea what will happen in the future, such as % increase in leads or prospects. Create KPIs that measure your growth, marketing, customers and efficiency.

An example of a valuable KPI is the ratio of Customer Acquisition Cost (CAC) to Lifetime Value of a customer (LTV). A good target ratio is 3 to 1. This means the revenue each customer generates during the life of their relationship with your company is 3 times the cost of the sales and marketing expenses to acquire them. In this example, for every dollar you spend, you make 3. Once you have a goal, you create a plan to get there.

Measure customer satisfaction with the net promoter score. Sounds fancy, but it's simply one question, "On a scale of 0-10, how likely are you to recommend us?" Studies show that a reliable indicator of your business growth potential is whether customers would "recommend" you. High scores translate to a bigger prospect pool and higher potential growth.

Make your KPI's visible!

KPIs should be shared with your team. You can start simply with a shared spreadsheet or use a data visualization tool. When everyone works together to achieve goals, it's a force multiplier that increases success.

action.

You're probably already tracking a few key numbers.

Now identify 1) the most important numbers for your business and 2) exactly when and how to measure them. Let's kick your KPI's into high gear.

Vision. Envision your company healthy & growing. What can you measure that will help you evaluate your progress in each of these areas? Brainstorm first then narrow the list to 5-7:

Revenue	
Growth	
Marketing	
Customers	
Efficiency	
What else?	

Review. Numbers mean nothing without regular review. Decide who will be accountable for gathering the data, how often will it be updated, and how it will be shared:

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6 Freedom.

Real freedom means your business runs profitably without you. Start now to make that happen. Hire a management team.

In order to turn your business into an asset, you must not *be* the company. Your business should be run by your team. At first, this can be difficult because it means you have to hire (and trust) other people, and you have to be willing to let them fail. But if you don't do this, you will be shackled to your business forever, and you'll have a job, not a company.

The biggest challenge for most business owners is that we overwork and overmanage. We think both of these things are necessary. After all, we're used to working hard, and we want things to be done right. But a business that requires the owner's personal involvement in the day-to-day operations is not an asset. Think about it - the only way someone would buy a company like that is if you stay. The company is dependent on you, which is why you feel trapped.

Decide to hire a management team - you need at least two people. Check out the book Who by Geoff Smart to learn how to interview and hire the right people. Share your clear vision for the company with them, and specify the results you want. Allow your team the freedom to figure out the "how" and be sure to get regular updates on progress. Give them feedback on their performance and results, but never criticize them personally. Let go of the need to control the how and focus on the results.

Your company is more valuable when it's independent.

Think of freedom as also not being dependent on any one customer, employee, or supplier. Create a proactive strategy for cross-training staff. Ensure no one client makes up more than 15% of your yearly revenue and that you have backup suppliers. A company with no dependencies in these three areas has less risk and is more valuable.

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How free are you?

Ownership. What percentage of your overall revenue did your largest customer represent last year? If it's more than 15% it represents a risk to your business value.

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Labor. How would your business perform if you were unable to work for 3 months?

- Suffer a lot, but survive Suffer a little, but survive Not survive

Delegate. Which best describes your management team?

- Don't have one. A couple of senior managers act as informal leaders I have a management team w/ long term incentives to stay

Team. How easy or difficult would it be to replace the person who contributes the most to each of these areas:

Sales and Marketing	
Finance and Accounting	
Service / Product Delivery	

Your business is EASY to love when it's an ASSET.

If this all seems like a lot, don't worry. The first step is the most important (mindset), because when you change the way you think and feel about your business, it's much easier to change the way you run it. It doesn't have to be hard or take a long time.

All top performers and athletes have coaches, and you need one too. Imagine having the focused attention of a founder and CEO who transformed her business into a scalable solutions company that other people wanted to buy and then wrote the book on it! This is your opportunity to work with me personally so that instead of feeling frustrated and trapped, you feel clear, certain, confident and secure.

Rethink the Relationship with Your Business in 90 Days

- 12 weekly private coaching sessions with me
- Email support between sessions
- BONUS: Hardcopy of my bestselling book:
Loving Your Business



Featured in: **Forbes** **Entrepreneur** **USATODAY**
FASTCOMPANY **THRIVE** **GLOBAL** **YAHOO! FINANCE**

The first step is to schedule 20 minutes with me today. Bring me your biggest business obstacle. I'm an expert at finding the root cause and I'll tell you the minute I see it, as well as what to do about it. It's the best 20 minutes you'll ever spend on your business.

Schedule now: LovingYourBusiness.com/Schedule