



Personal Business Creation System

PART 2

Creating Your Business

**Strategy – Identity – Finance –
Systems - Marketing**

Steps 7 to 26

“Resistance is Created Through Lack of Clarity”

CLARIFY YOUR VISION

CLARIFY YOUR ‘WHY’

Completion of this document does not imply any guarantees of business success or income whatsoever.

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Important

You will only gain benefit from this programme by working through it with the audio or video recordings provided. These have been specially prepared to guide you through the process at the right pace and in the right order.

Retail Price (whole programme, workbooks with audio/visual) £296 + VAT (no coaching)

INTRODUCTION

In this Part you're going to look at the basics of how your business works in terms of

- Your overall business strategy
- Your operational structure
- Your operational planning
- The regulations that might affect your business

Strategy will include your business model: what it does, how the money works. How it will generate an income without you and how you relate to the business.

Structure will cover who does what and how the various roles required to operate the business are fulfilled. Whether you decide to outsource certain things or insource them by employing people or perhaps using freelancers or subcontractors. And, if you have a business partner or co-director, what each of your roles are.

Operational Planning will lay out the basics of how you decide to 'run' the business, plan the various operations you need to carry out, where the business is located and how that affects operations, how much time the business is actually 'operational', and how you plan to monitor everything that is going on.

Regulations: All businesses are subject to statutory regulations, some more than others, and some much more than others! There are also a number of recommendations in this area which, although there is not formal requirement, and things that you certainly should do to ensure the success of your business.

At this stage in the process, and from now on, we will be recommending, from time to time, certain preferred suppliers, consultants and advisors for various aspects of your business. The people and businesses concerned are usually those with which we have had personal and satisfactory experience.

Although we strongly recommend these providers we cannot obviously guarantee their performance in any way and you are at liberty to choose someone else to perform the services required. However, we do most strongly recommend that you contact the people and businesses we identify, at least for comparison with any preferred suppliers you may already have.

Always remember, 'you get what you pay for'. 'Price' is rarely the most important element in making a decision.

Now listen to Audio 7

STEP 7 - Business Strategy

The first thing to look at here is your 'Business Model'.

At a high level a business model is something like 'retail' or 'manufacturing' or 'distribution' or 'consulting' and so on. It describes which category you fall into but not really how your business works.

Your business could also operate two or more of these models - for example manufacturing and retail could go together, retail and distribution could go together, consulting and training could go together.

Most combinations of these high level descriptions can be made to work as a business, so we need to be more 'fundamental' in our approach.

All businesses work like this -

There is an INPUT which will normally have a cost associated with it

There is a PROCESS which may or may not have tangible costs

There is an OUTPUT which generates an income but may have direct costs associated with it.

It's usually easiest to start with the output first and work backwards, but you can do this in any order you want.

What is my business OUTPUT?

What is my business PROCESS? (How does it 'work')

What is my business INPUT?

And now a supplementary question

How is my output DELIVERED, and to whom?

Depending on your business, some of these answers may be quite short and some quite long but all businesses, by definition, must follow this model.

Sometimes the processing will be done in your head, sometimes it will be a physical process. For the moment ignore any ancillary activities such as compliance, marketing and finance - these all have their own sub-processes.

What we are concerned with here is primarily how the business generates income by producing an OUTPUT in the form of products and/or services.

If there are multiple Input-Process-Output models going on, which can often be the case, use the reverse of these sheets, or print extra pages, to cater for them.

What you have just created is a basic model of what the business 'does'. Next, we need to look at **how the money works**.

Who will purchase my Product or Service? Who actually pays me?

Other businesses / End Consumers / Both

Remember this question is about WHO actually pays you the money. For example, if you provide marketing services then it's probably not the consumer, who you may see as the customer, but the company providing the product you're marketing that pays you. Similarly, you may be working as a therapist where an organisation pays you to provide services to its clients. Think carefully about this one, it's important.

How is the money I am paid generated?

- ☐ As a lump sum from a one-off interaction or a series of finite events
- ☐ As a subscription or recurring fee of some sort such as a retainer
- ☐ As a recurring income like a royalty payment based on products/services sold
- ☐ From the purchase of tangible products on a one-off basis or on commission based on this.

Tick all that apply

Are there any direct costs related to each purchase? E.g. cost of postage, installation costs etc. These are costs you would not incur if no purchase was made.

Yes / No/ Sometimes

Now let's consider the PROCESS.

What costs are related to actually carrying out my business process?

These can be many and varied so think carefully about this. It's important you include all the administrative costs and overheads of running the business and this will be covered in detail when we discuss Finance.

Finally you need to identify the costs associated with the INPUTS to your business.

These can include costs of raw materials, parts for assembly, products or services for resale and those most people miss, research and development, and training and education. This would also include the cost of purchasing a Licence or a Franchise and the fee for joining a network marketing company.

What costs are related to the INPUTS to my business?

Later we will revisit these numbers to see if they actually 'work'!

The next part of this Step is about YOU.

You will have covered some of this in previously but to set your Strategy there are some key questions you may need to review or ask yourself again.

Does the income to my business depend entirely on the time I spend on processing the output - can the business generate any income if I am not personally 'doing it'?

Yes / No / Maybe

Does the business have products and services which people can purchase in my absence that I do not have to personally deliver?

Yes / No

Do I have a personal strategy about how much time I am able to spend IN the business ('doing it'), ON the business (marketing, promoting, developing etc.) and OFF the business (e.g. on holiday and out of contact with the business)?

Yes / No

If you answered 'yes' to the first question and 'no' to the others, then **you do not have a 'business'** - you have a JOB - you're self-employed as a sole trader and not a business owner. If this is the case, you need to re-think!

Make the decision now, referring back to Step 5

By (insert date) _____

I will be spending

_____ % of my time working **IN** the business

_____ % of my time working **ON** the business

_____ % of my time **OFF** and out of contact with the business

AND

While maintaining a strategic overview I will be outsourcing or delegating the following activities: (select as appropriate)

Service Delivery / Marketing / Sales / Finance / Administration / Production / Other

Specify 'Other'

You should regularly revisit this section (at least once every 12 months) and review your intentions in this context.

Finally, in this step you should take a 'broad brush' look at how you expect your business to develop over the next few years. You'll revisit this in later when you look at your strategy again once the business is up and running.

Over the next 5 years I see my business developing like this: (Refer back - your ideas may have changed!)

To achieve this, I will need to undertake the following:

- ☐ Learning new skills and knowledge myself
- ☐ Research and development of processes, products and services
- ☐ Growth and Strategic Planning
- ☐ Staff (including business partner) learning and skills development
- ☐ Market Analysis and Research
- ☐ Other activities

Specify 'other activities'

I will fund this through

- ☐ Injection of additional funds
- ☐ Reservation of profits
- ☐ Within administrative expenses on the P&L Account

We will look at this in more detail in Workbook 5.

'SWOT' Analysis 1

Now look at what you think are the key **Strengths, Weaknesses, Opportunities and Threats** in relation to your company as a whole, its business model and strategy, its finances, its operations and its offering to purchasers.

Be thorough!

What do I think are the key strengths of my company?

What do I think are the weaknesses of my company?

Again, include internal as well as external, customer facing, factors.

What potential opportunities do I think might be available to my company at the present time and in the near future?

This could include growth in the market, a 'failing' or 'retiring' competitor, new methods or technology, regulatory changes and so on.

What potential threats do I think might face my company at the present time and in the near future?

Similar to the above this might include shrinking markets, new entrants and again new technology, regulations or methods.