

# The Business Checkup

## You may find it is time to make some changes

by: Mike Lecak, Collaborative Consultant Group

If you are like most of us, your last visit to the doctor for a checkup was a chore. You felt fine and had too much to do. While it is difficult to find the time, your yearly checkup does allow you to gauge where you are and adjust based on the findings. It may not always be what you want to hear, but as they say, knowledge is power.

What about your business? When is the last time it “had a checkup?” When is the last time you really stepped back and looked at what you have built? As we pass the halfway point of 2014, how are you doing? Many of us start the year out with great anticipation of a fresh start. This is the year you will get to really move to the “next level.” As you look at the first half of the year, are you where you thought you would be? More importantly, do you know where that is?

There are many ways to gauge this. You can look at hard numbers as a start. Pull out your business plan (I will assume you all have one) and check yourself against your targets. Have you met or exceeded your metrics? If so, the important thing is to continue down that path and keep doing what is making you successful. If you are not, it is time to look back, be honest with yourself and adjust. Sometimes pushing the rock uphill does not make sense anymore and it is best to stop.

There are several areas that a business owner should look at when giving his (or her) business a checkup. Here are a few to highlight:

- Leadership and Leadership Development
- Management
- Process
- Sales Structure
- Recruiting

As you look over the landscape of your business and measure your most important (and expensive) assets — your employees — have you developed leaders to take you to the next level? Many business owners simply do not have the time or the know-how to develop their leadership teams. We work “in” our business far too much and do not have the time to



work “on” our business. If this is something you have not had a chance to look at, chances are there is a significant skills gap that needs to be addressed. Short of cloning, this is the only way businesses can grow at an acceptable pace. You need to develop your next generation of leaders. Do you have a formal leadership development plan in place? If not, why not?

Management has a great deal to do with the process. Processes that are sound and easy to follow will yield results. Effective managers can manage to a set of metrics and rules. They are transactional and will get the job done. Every organization needs good managers. Often-

times, I see organizations promote their best salesperson to the role of manager. More times than not, this is an exercise in futility. Great sales results do not always equate to great managerial skills. It is a totally different skill set, and let’s be honest here — they are your best salespeople because they do it their way; rules are for everyone else.

Leaders, on the other hand, drive results through people. They can inspire others to do great things. Willing to take risks and live with the results, most leaders take ownership of the results while sharing the praise along the way. As effective leaders, they will not wait to be told it is time to change, but will recognize the need and react accordingly, without fear. In these turbulent times, the danger is not in the turbulence, but to act with yesterday’s logic. We have all heard, and many of us have said, “We do it that way because we’ve always done it that way.” Are you developing forward-thinking, fearless leaders? They are your future. A strong leadership development initiative will help you identify skill gaps and prepare your next generation of organizational leaders to step in.

Another area to focus on developing is your recruiting process. Recruiting has always been one of those things where, when sales is hitting on all cylinders, seems to get the least amount of attention. However, when sales slump or we experience some unforeseen turnover, we circle the wagons and react. Most of the time, this desperation will

yield less-than-desirable results and will be expensive. Turnover not only costs companies time and money, but impacts both our customers as well as our staff. The cultural impact of working for a “revolving-door” company is difficult to overcome and the “rep du jour” leads your customers and prospects to wonder, “What’s going on over there?” Studies show that over the next five years, turnover rates are expected to rise from 21 to 25 percent. What is your defense for this trend?

I submit that a sales manager’s recruiting funnel is as important, if not more important, than a sales rep’s sales funnel. We need to constantly be recruiting to ensure that we are not caught off guard. We also need to develop a culture of success that is fueled by results. Results keep your reps excited and financially whole. They also show the rest of the staff that expectations are high and your dealership is a home of high achievers. Developing a process for recruiting is of utmost importance today. As Gen Y hits our front doors, we must remember one thing: They all received participation trophies. Their shelves are lined with awards for 8th-place finishes. Recruiting and retaining this new work force will take patience and skill, and chances are they will still leave for a better opportunity. Studies show that more than 90 percent of Gen Y employees would leave their current employer for an employer with a better reputation. Why fight this? Why not do your best to get and keep them, but also be prepared if the time comes when they seek greener pastures?

Another way to hedge your bet is to make sure the opportunity fits the person. There are many tools available to properly profile candidates. I believe it is equally important to profile the position. A role behavior analysis will allow you to outline the strengths and behavioral characteristics you deem necessary to be successful. Make sure you know what you want out of a certain role and then test your candidates to match skill and behavioral traits to that role. You will dramatically increase your chances of hiring the right fit.

The age-old saying “actions speak louder than words” has never been more meaningful than when we onboard a new employee. Ask yourself these questions: Does someone own the onboarding process? Does this process align with how we sell ourselves during the interview? Does it represent your company culture? This is the “real” first date. Like it or not, this is how you will be judged. How are you doing? This is an area most companies can improve on. I suggest you outline your process and include every department head. Each should have a role in bringing on your newest employee. It should be personal and should make the person feel as if he (or she) made the right decision to join you. There is no magic

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to this, only effort and attention to detail. You only get one chance to make a first impression.

What is a good first step? Once you have decided to take a look, there are primary areas to focus on. A good jumping-off point would be a SWOT analysis. Get your executive team together for a day and really open up to each other. No holds barred. This requires open communication and no pride of ownership.

The reason for the SWOT is to identify your strengths (do not spend too much time here) and weaknesses, as well as the opportunities and threats ahead. This should be the basis for your strategic plan.

Once the SWOT is complete, you can begin to analyze your staff. This analysis will allow you to look for opportunities to improve performance, not get rid of anyone. Once you have addressed gaps between skill and performance, you will be able to set forth a plan to assist every employee with the right focus. This can take place by instituting expanded training opportunities or, for your leadership team, a mentoring program.

As in any sales organization, compensation continues to be the driver. I suggest you take a hard look at your comp plans. Do they drive the behavior you are looking for? Can you manage the types of activities you need with your comp structure? Are your reps and managers aligned (care about the same things)? Is your comp plan competitive in your market?

There are many things that come from a checkup, but one thing is for sure: Sometimes you have to take your medicine. For us, that usually means some type of change. Change is difficult; it is uncomfortable and takes time. We live in a “30-day world” of quotas, commissions, vendor pressure, etc. The important thing to remember is change is a process, not an event.

Remember, the external environment in which we operate constantly changes. We must respond in order to remain competitive. Best of luck. ■

*Mike Lecak has been in the industry since 1983, starting with ComDoc in Pittsburgh, Pa., then the largest independent dealership of both Ricoh and Lanier copier/MFPs in the East. After a successful 15-year career, he joined Toshiba as a district sales manager. Later, Lecak joined Print Inc. in 2004 to manage sales for the company’s channel-focused PrintValue Solutions program.*

*In 2009, he joined Konica Minolta to manage its West Region for managed print. Lecak currently serves as president of Collaborative Consultant Group.*

*He can be reached at [mlecak@collaborativeconsultantgroup.com](mailto:mlecak@collaborativeconsultantgroup.com). Visit [www.collaborativeconsultantgroup.com](http://www.collaborativeconsultantgroup.com).*

