



DO BUSINESS FASTER™

## **Jim's Profit Accelerator 244**

### **How to Run Your Business with Numbers**

You're surrounded by folks who can't wait to do some numbers on something, bless them. But much of the time their work (and numbers) are a diversion, not a contribution. Here is a simple path to choose which numbers you use.

**SPEED BUMP:** Internal numbers drive behavior. If not, ignore the numbers.

For simplicity, group your numbers by their use.

**Monthly and Yearly Financials:** These are mostly outward facing, for owners and lenders. Although they're of limited use in daily operations, they are a vital foundation for a strong business. Monthlies are needed but are usually too late to influence essential activity.

**Daily and Weekly Operating Metrics:** These are the heartbeat of the business that will tell you immediately where to focus next. Daily and weekly metrics are the meat and potatoes (or beans and rice for you vegans) of data. There should be no more than three or four measures of the most critical actions in the business. They almost always are some form of sales, efficiency, and quality. Choose the ones that impact monthly results the most. Here's how to use them:

- Report and post publicly daily if possible, weekly at minimum.
- Include them in a 10-minute discussion of how we're doing and where we should focus today.
- Frame the challenge as "Make the Week" (make the weekly targets—all three).

**Analytics:** These parse and explain all of the above, clarifying what needs attention and what is anomaly. The problem with analytics is that they are a diversion from reality, often building castles of interesting relationships that hide critical actions. If you and your leaders can't understand an analytic presentation in one minute, reject it. Your question is always "What should be done now?" The analytics should help clarify the actions, direction, and so forth.

**SPEED BUMP:** Monthly financials are not enough for business success.

The power of daily/weekly metrics is the discussion about them among operating leaders. It's best if done down to the team-lead level. These discussions answer these questions only, in 10 minutes:

- How did we do yesterday?
- What do we need to do today to make the week?
- What's in the way?
- What can we do about it?

**SPEED BUMP:** Keep it simple. Complexity hides solutions.

Your numbers folks will want more numbers. Don't cave; instead, focus them on potential actions in the current week. A second look often reveals a path to doing better.

**SPEED BUMP:** Winners know that doing better each day is a likely path to success.

**ACCELERANT:** How will you change your numbers—and discussions—for next week?

For more information on how you can accelerate revenues and profits in your business, please call or email me.

A note on **SPEED BUMPS:** Use them to click quickly with an idea that can immediately be implemented in your life as a business leader. Think: "How can I use this today?" or "Who can use this?"

For more information, visit [www.grewco.com](http://www.grewco.com).

Jim Grew, the Business Defogger and Accelerator, helps leaders discover hidden opportunities within their businesses and exploit them for dramatic results. Jim has led 9 businesses, worked in 31 companies at C-level, and is an expert in strategy and executive leadership. He presents regularly to industry groups, mentors business leaders, and shares insights in his Executive Letter (above). Jim holds BA and MBA degrees from Stanford University. In his new book, *The Other Side of Succession*, he shares how to plan for the future by growing your business now.

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