

WOULD YOU BUY YOUR OWN BUSINESS? *The Answer is in the Process*

It's a powerful question if you are honest with yourself. Imagine for a moment that you did not already own a business and an exact replica of the one you currently own was for sale. Would you buy it? Is yours one of the good ones? Are you better than your competition? What is it that makes you better? If you can point to above-average performance metrics or a Lean distribution system, great! If you answer "hard work" or "dedication," you may be headed in the wrong direction.

Even if you can point to a decent profit, how do you know your business is all it can be? You might take satisfaction in knowing that the bottom line is black, but could your business, in fact, generate twice as much?

If you find yourself having some doubts, it's probably time to run the numbers and ask some key questions to consider your company's true potential.

People, Product and Process

Good company differentiators are mainly product, process and people with different emphasis on each based on the business type. We think process rules all. While good people are required to develop good process, a good process isn't dependent on "star employees" to execute. Good process is repeatable and offers attributes customers want such as speed, value and timely delivery, while you maintain profitability.

Having studied hundreds of businesses over the last 20 years, we've seen the good and the bad. We've also learned that virtually any business can be better, and by that we don't mean spend a fortune to only improve output by 1%. We mean make a reasonable investment to improve everything you do. In most cases any business can create process improvements that differentiate it and make it more valuable.

People: If you actually plan to sell your business, the key differentiator can't be you. You have to develop processes that can be taught to others to execute when you or other key personnel are no longer there. Even though people are important in service businesses, it still comes down to process to drive success. A doctor can't be effective if there isn't a process to keep the operating room clean and ensure the right tools are available during surgery. Amazon gets goods to consumers because they have great logistics, not because they have thousands of extraordinary people in their warehouses.

Product: A patented product, assuming the patent isn't close to expiration, offers a huge advantage. But without that protection, even a stellar product will drive success for only so long. A competitor that can offer something similar and deliver it more easily or faster can quickly steal market share. And that advantage is frequently the result of having a better process. Consider the fate of Blackberry, Ltd.,

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that gained convincing market share in the mobile industry with the launch of a number of popular devices. Competition, driven by a better research and development process, was able to overtake the market, leaving Blackberry in an unfavorable position, resulting in a severe reduction in its product line and termination of about 40% of its operating staff. If a strong process foundation had been in place, perhaps the painful derailment could have been averted.

Process: So how do you determine if your company has the right process? You have to ask yourself some questions and confirm that you have a process in place for each situation:

- If any one of your employees walked out the door, including yourself, would your company continue without interruption?
- Are you able to differentiate your product from your competitor's? What stops a competitor from recreating your product?
- How do you know if everything is going according to plan daily and in the long term?

You can address these questions by building the necessary processes to support your people and products. Your goal is to develop processes that will transcend time and withstand marketplace changes and key employee turnover. You will create a dynamic process that you will refine over time to maintain peak performance. And while you may not intend to sell your business anytime soon, you will be ready if the day should come. And knowing that you are operating with a solid process in place, you can be confident that your answer will always be, "Yes, I would buy my own business!"