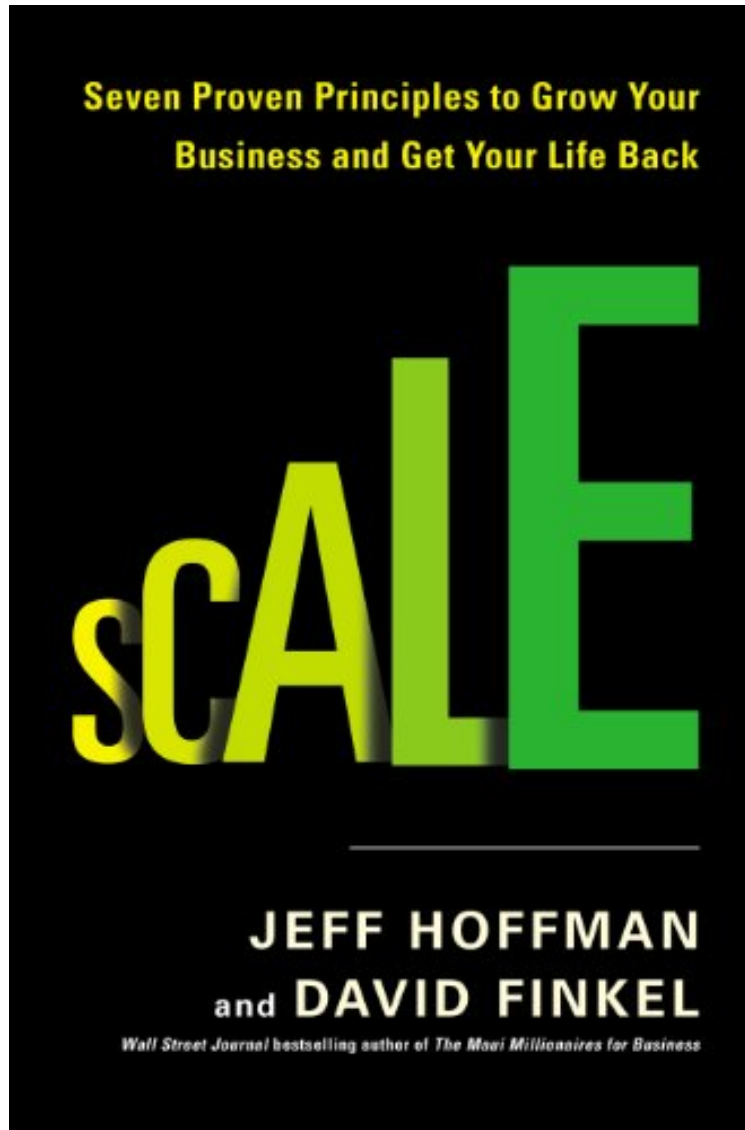


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Scale: Seven Proven Principles to Grow Your Business and Get Your Life Back

Jeff Hoffman, David Finkel
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Jeff Hoffman, David Finkel : Scale: Seven Proven Principles to Grow Your Business and Get Your Life Back before purchasing it in order to gage whether or not it would be worth my time, and all praised Scale: Seven Proven Principles to Grow Your Business and Get Your Life Back:

0 of 0 people found the following review helpful. Thanks, authors! I'm recommending this one to my circle. By Customer This book was the splash of cold water on my face I've really needed. It's all so logical yet important, it has you going, "why haven't I done this yet?" Some of the metaphors were less than entertaining or irrelevant to me

personally, (the parking lot one felt as if it droned on for a while), but the content and wisdom packed in here are gold. On a smaller, more personal note, as a female entrepreneur in her 20's, I also appreciated that the authors acknowledged, through fictional examples, that women exist in all the same entrepreneurial roles too. I can't tell you how many times I read other materials on business strategy and the women in the fabled stories are depicted as secretaries or entrepreneurs of pie shops and cleaning companies (really!). So this was a comfort to read. I am invigorated, inspired and excited to carve out systems and flex my delegation muscles until my branding business can thrive without me! The book pairs well with another, "Built To Sell" but I prefer this one for practical, down-to-earth tactics. 3 of 3 people found the following review helpful. Entrepreneur? Small business? Run a department? This is the one business book you must read immediately to change your future. By Stuckshutter In a sea of books that purport to unlock the mysteries of the business universe and turn your scar into a star, this book stands out for it's solid, no nonsense presentation of how to change your business and your future for the better. If you are looking for a 30 second quick fix, skip to Ebay and buy a magic wand. The prescriptions offered in this book take time, thought, effort and change in your beliefs and habits. You'll have to work. But, if you do, this is a stand out process for transforming your small business available. You won't find self-aggrandizing, generalities or platitudes but will find a proven process to transform any business. It's one of the very tiny number of business books I've read in years that actually deliver many of the secret of having a great business. Yes, I like it. Why? Because it follows the same general outline of the FocalPoint Business Coaching program developed by Brian Tracy that has changed the results for over a thousand businesses, you can count on it working for you -- if you do the work. 0 of 0 people found the following review helpful. Mantra I took away is "Learn to read the world so that you stay relevant . . ." By John Beckham SCALE is a more than a how to grow a business text, it contains lessons that can be used to your organizing your daily life (with an eye towards the next quarter), achieve more on your job by working smart (not more) and anticipate changes in your surroundings through careful open observation. While the first few pages are aimed at the already successful the rest of the book has valuable applications for everyone. The processes encouraged are to be maintained and updated, i.e. Write your quarterly plans, Write about your customer's goals, Update one page summaries to keep everyone on the same page. And use your staff to the best of their "inventoried" abilities. Trust them, and work towards staff happiness (find out what people want and work towards it). Worksheets are provided -- it is hard to go astray if you follow the steps. Look for your strengths, your reason to be (in business), and honor your client's needs. If you are on the Development side there is great advice: schedule closed door creativity time. Brainstorm. As Hoffman is a famed innovator there are marvelous suggestions on how to provoke creativity, how to stoke the fire to hit the eureka moment. Experience has shown him, and now us that The Key is escaping your safety zone and experiencing more, don't let habit strangle you. Spend time observing and talking to people who differ from you in terms of age and experience; or are in different industries or fields. The mix will reward you with new points of view and ideas. The Mantra I took away is "Learn to read the world so that you stay relevant and build your business for tomorrow's marketplace, not yesterday's reality. In a rapidly changing world, the status quo is never safe." (254). I met Jeff Hoffman at the University of Akron.

Your concrete road map to rapidly grow your business and get your life back! Have you ever wanted to grow your business but held back because of fear that it would take over your life? As an owner, it's all too common to feel you have to choose between your personal life and the success of your business. But the surprising truth is that the only way to truly scale and grow your company is to reduce its reliance on you. This means that, don't worry, scaling ensures that you can grow your business without sacrificing your life. Jeff Hoffman, a serial entrepreneur and former CEO in the Priceline.com (Priceline Yardsale) family of companies, and David Finkel, CEO of Maui Mastermind, a business coaching company with thousands of clients worldwide, offer a concrete road map for rapidly growing your business while also gaining more personal freedom. You'll not only learn the best strategies to generate growth, but you'll also get proven insider tips to sustain that growth through sound systems, empowered teams, and intelligent internal controls. Hoffman and Finkel will also show you how to overcome predictable obstacles in any pillar of your business -- including sales, operations, and finance -- with insight for building better lead-generation systems, managing cash flow, and retaining talent. You'll learn how to:

- Escape the Self-Employment Trap and build a business, not a job.
- Systematize your business to reduce costs and increase capacity.
- Ensure your company survives the "Hit by Bus" test.
- Uncover your company's top leverage points (and execution strategies to implement what you discover).
- Fund your growth with the seven cash flow commandments.
- And much more.

 Scale offers a game plan to work less and get your business to produce more. Written by two world-class entrepreneurs who have started, scaled, and successfully exited from multiple businesses, which collectively have generated tens of billions of dollars in sales, it gives you their bottom-line best ideas to effectively grow your company. If you have ever felt stuck in your business, not knowing the best way forward, this book is your must-read guide. From the Hardcover edition.

“Almost every chapter provides the kind of pragmatic support new business owners need—and deserve.”—Booklist
“This well-written, well-organized book will help business owners who want to enjoy a life beyond business.”—Publisher’s Weekly
“Scale is a competitive weapon! This book gives you exactly what you need to succeed in the big game.”—Philip and Gayle Tauber, founders, Kashi Company
“Scale is a masterwork that encapsulates enough practical wisdom to fill several books. . . . This book will ignite years of successful growth for any reader who applies what they share.”—Rob Kautz, former CEO, Wolfgang Puck Worldwide
“Hoffman and Finkel have hit a grand slam with Scale. Each of the chapters is worth its weight in gold and jam-packed with immediately actionable guidance.”—Jason Jennings, New York Times bestselling author, Think BIG, Act Small and The Reinventors
“Wow! Scale gives you a step-by-step process to grow your business the right way. I would tell every business owner that they need to read this book.”—Sandy Gooch, cofounder, Mrs. Gooch’s Natural Food Market (later acquired by Whole Foods)
“Scale is a must-read for anyone interested in founding and scaling firms.”—Jonathan Ortman, president, Global Entrepreneurship Week, and senior fellow, Kauffman Foundation
“If you’re tired of struggling and spending every waking moment consumed by your business, then this is the book for you. Learn how to build a successful and sustainable business that has value without your being involved every minute.”—Susan Solovic, New York Times bestselling author of It’s Your Biz and award-winning entrepreneur
About the Author
JEFF HOFFMAN, a founding team member and former CEO in the Priceline.com (Priceline Yardsale) family of companies, is a serial entrepreneur who has successfully scaled and sold multiple companies. Collectively, his businesses have generated sales in the billions of dollars. He lives in Chicago.
DAVID FINKEL is the CEO of Maui Mastermind, one of the world’s premier business coaching companies with thousands of clients worldwide. He is the Wall Street Journal bestselling author of ten books, including Build a Business, Not a Job. He lives in Jackson Hole, Wyoming.
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INTRODUCTION
In 1992, a 22-year-old undergrad dropped out of college to launch his own business. He wanted to be his own boss and decided to build a company selling health products. His sisters told him he was a “*%*^@” idiot, and his befuddled parents asked him softly if he would “t rather finish his degree first. But he was committed to make this, his first real attempt at formally building a business, a massive success. He bought the wholesale rights to a line of health products and invested his life savings (\$3,200) in stocking inventory and setting up a small office, then spent long hours marketing the line, personally posting thousands of flyers and making hundreds of sales calls. Eight months later, the business had failed; his family graciously never said “I told you so.” But the story doesn’t end there. The good ones never do. After taking some time to lick his wounds and salve his bruised ego, our now 25-year-old recent college grad made another go in a totally different business. His earlier failure had taught him some crucial lessons (including a sorely needed dose of humility). Cataloging his talents and interests, he decided on a new industry—info-marketing. He made a list of the top ten business leaders in this industry and approached each one, asking for the opportunity to interview them about how they had built such successful companies, and asking for any advice they could give to someone just starting out. Initially, these big players ignored him, but he was persistent, hounding them until he finally got eight of the ten to meet with him. In their interviews, these leaders spoke candidly about the lessons they had gleaned after decades in the business world, climbing the same peaks our young businessman wanted to scale. He took their advice to heart, following up on skills and topics they said he would have to understand to be successful. He read dozens of business books and made a study of how to successfully build a business. Eight years later, he was an “overnight” success, the owner of one of the top real estate training companies in the United States, having trained more than 50,000 investors who went on to buy and sell over \$1 billion of properties. With no debt or outside investors, his company generated over \$3 million of annual operating profit and was valued at \$10 million to \$16 million. After he sold this company, he went on to found and build half a dozen other successful companies, each time leveraging the lessons and experiences from his earlier businesses. In 2009 a mutual friend introduced him to a business superstar—a guy who had helped launch and grow one of the fastest-scaling companies of all time, Priceline.com, which had grown from \$0 in sales to over \$1 billion in less than four years. When the two of them met in Atlanta, they talked for hours, realizing they had a lot in common—especially their shared passion for mentoring and coaching other business owners. One had built several multimillion-dollar companies and personally trained more than 100,000 business owners; the other helped build a multibillion-dollar company that revolutionized an industry. But they both loved coaching and mentoring business owners to scale their companies. You may have already guessed that the college dropout turned successful entrepreneur was David, and the Priceline.com superstar was Jeff. Like David, Jeff launched his first start-up, a software company, while still in college. Unlike David, Jeff and his team nailed it with their first company, which they later sold to American Express for millions. Priceline.com was actually Jeff’s fifth start-up, and after the company went public and Jeff transitioned out of the business, he went on to be the CEO of uBid.com and RedTag.com. He even launched a very successful entertainment company, Black Sky Entertainment, which went on to generate over \$100 million in sales. We’ve both lived the life of serial entrepreneurs, not just launching

companies, but leading them through those all-important middle years when a business must either stay stuck as an extension of the founder, or scale and grow independent of the owner. Over the years, we've grown our friendship and shared the stage teaching at various business conferences. During that time, we came to realize that we shared a complementary skill set and approach to growing companies. And we also learned that we had shared experiences of those scary, absorbing, and exciting years when these businesses began to grow at triple-digit rates or faster. We joked that at times it felt like we were on the back of a rodeo bull, holding on with all our might, praying for that eight-second buzzer to sound. The thing we discovered is that whereas in the rodeo those eight seconds are literal, in your business the buzzer doesn't go off for years. We also realized that we shared a frustration with the existing business books that addressed scaling a company. Too many told readers what to do, but didn't have the details on how to do the what to do. That's why we decided to pool our years of experiences to write this book. We wanted to put in one place a structured, systematic approach not just to create growth, but, more important, to show you how to survive and enjoy that growth by leveraging the systems, team, and internal controls necessary to sustain that development over the long term. Following this methodology, not only do you get growth in sales and profits, but you'll also enjoy increased freedom as the business owner. You can build a company that is stable, vibrant, valuable, and a joy to own. This book contains the guiding principles and the concrete formulas you can apply to consistently create the dual results of business growth and personal freedom. We are primarily serial entrepreneurs, not authors. We love building businesses, and have been fortunate to enjoy some big successes, and to have survived the stupid, messy mistakes that, looking back, were both predictable and avoidable. While we wouldn't trade our paths, we wanted to catalog and share our real-world lessons about how to do it better, smarter, and faster. This is the book we wished we had read when we were struggling to grow our earlier businesses. Everything you read here has been tested and validated. It is proven to work; we've used it to build more than a dozen successful companies with combined sales in the billions. More important, over the past ten years, we've taught these ideas to more than 100,000 business owners around the world, and the results they've gotten have proved the concepts, strategies, and tools are transferable and get results. We wrote it so that you can read any chapter, put down the book, and immediately apply several of the key ideas the very next day in your business—generating immediate results. The ultimate goal for a business owner is to build a company that he or she can one day sell, continue to scale, or even own passively. Most business owners reach for growth by working harder and personally trying to produce more. This is a flawed model that at best will lead to only moderate growth. At worst, this strategy can literally put your entire company at risk. Instead, we will introduce you to the Level Three Road Map, a comprehensive model for building and scaling your business. Essentially the Level Three Road Map will help you go from a Level One business (a start-up), through Level Two (an owner-reliant company), to Level Three (a rapid growth or "exit staged" company). The bottom line is that scaling your company and reaching the ambitious goals that you really want requires that you move beyond an "owner-reliant" business to one that is systems driven, with a solid management team and intelligent business controls in place—a Level Three business. Overview of the Book First and foremost, this is a book about rapid growth, and how you can build a scalable business that not only consistently grows, but also sustains that growth over time. What you'll come to learn is that a direct by-product of building your business the right way is that you'll get your life back. It is a broken model that says you must work 80-hour weeks and sacrifice everything to grow your company. You don't have to choose between your business and your life. Rather, if you do it right, you get your business and your life. In fact, we strongly believe that the only way to build a truly scalable business is by radically reducing its reliance on you, the owner, and supporting that rapid growth through systems, team, and internal business controls. Part one of the book focuses on building a solid foundation. You'll learn the essence of the Level Three Road Map. This structured formula to scale your company not only will help you create and sustain rapid growth, but at the same time will help you dramatically reduce the company's reliance on you. It closes with a simple tool to help you clarify your business context—the market you serve, the competition you face, and the position you want to claim in the market. We'll approach all three of these key dimensions of your business context in a radically different way than it's likely you have ever done before. In part two, you'll identify the fastest leverage points to grow your company and how to turn those leverage points into a winning business strategy. What's more, we'll give you our step-by-step process to create a clear, actionable, one-page plan for executing your strategy on a rolling, 90-day basis. You'll also learn how to read the rapidly changing world around you in order to continually keep your business fresh and relevant to the marketplace. In part three, we'll walk you through how to overcome the predictable obstacles to scaling, pillar by pillar. From lead generation to lead conversion, operations, finance, HR, and leadership, we'll give you proven solutions to dozens of the toughest challenges you'll face as you scale your company. You'll learn how to build "expert systems" to pull out the key know-how that currently is locked in the heads of a few, expensive employees and replicate that expertise in scalable systems; systematically grow your sales; manage your cash flow; fund your growth; and create a culture of accountability inside your company. In part four, you'll find out how to leverage your time to scale your company. We'll give you a brand-new model to think about time, and six simple time mastery strategies that will help you upgrade eight hours a week of time you are already working

for higher and better uses to grow your company. We'll also give you a clear plan to implement the ideas from the book in a manageable way. Whether you're a small, 3-person retailer doing \$350,000 a year in sales, or a 22-person service business with annual sales of \$2.5 million a year, or even a 255-person manufacturing company with \$26 million a year in sales, this book will give you clear, actionable insights to grow and scale your company. Not only will the systems we share help you sustain long-term success, but you'll also see fast results. The road map we've laid out for you to follow will enable you to scale your company the way you've always dreamed you could. We hope you'll reach out to us after you read this book, and share your own stories of success. (Our contact information is at the end of the book.)

7 Free Online Tools to Help You Grow Your Business

-----Because we know how important executing on these ideas is to help you enjoy the growth you want, we created a special Web site with seven tools to help you get results. This free value-add for readers like you includes downloadable PDF versions of all the strategy tools shared in this book, along with dozens of valuable video training sessions to help you scale your company and get your life back. To get immediate access to these tools just visit www.ScaleYourBusinessToolkit.com. (See the appendix for full details of all seven valuable tools.)

PART I Building on a Solid Foundation

Sometimes it feels more like my business owns me than me owning my business. I'm reasonably intelligent and self-motivated. I'm willing to put in the work to grow it, I just need the right road map to show me the best path to grow my company and get my life back.

—Comment by anonymous business owner at recent conference

PRINCIPLE ONE BUILD A BUSINESS, NOT A JOB

The year was 2007 and Tom was burning out. He was running a successful wholesaling business in Florida, but the 80-hour workweeks were getting to be too much. He had two young kids at home whom he wasn't seeing enough, and he felt torn between the demands of the business and being present with the important people in his life. And if Tom was tired, so was his wife, Lee. She was tired of Tom missing out on family dinners, not being more involved in family activities, and of watching Tom's long hours impact his health. Tom and Lee knew they needed to find a way to get out from under the crushing pressures of running the business day-to-day, but they didn't know how. Nor did they want to lose the momentum in the business. They felt the same way so many of us do—trapped by our business, like Atlas, holding the world on our shoulders, afraid to take a step back to reevaluate our position for fear that the whole thing could come crashing down around us. We dream of a way to grow our businesses without sacrificing our lives. But for Tom and Lee, as for a lot of us, it just wasn't obvious how to do this. So Lee went online to research potential solutions. That's when she learned about a business workshop we were hosting in Arizona to raise money for several nonprofit charities.

1 The goal of this workshop was to teach business owners how to design their businesses both for growth and for reducing their reliance on the owner. Lee wanted to encourage Tom to continue to grow the business but to do so in a way that allowed him to spend more time with the family and didn't take such a harsh toll on his health. She bought him a ticket to the event and arranged his travel. That workshop taught Tom many of the same tools, strategies, and principles that you'll be learning in this book. When Tom returned home, he immediately began implementing what he had learned and watched as his business blossomed. He also saw his family and his personal life bloom as well, since he finally learned how to manage them both together. Our goal in this book is to help you achieve that same balance of business growth and personal freedom.

Prior to the workshop, Tom thought his business needed him to oversee each and every detail. He believed he had to be there every moment of the day to drive his team forward to produce results. We introduced him to a new approach to scaling his company, one that he could implement in his business in bite-sized chunks that fit in around his responsibilities running the day-to-day. Quarter by quarter, he watched his business grow and its dependencies on him shrink. By 2013 not only had he scaled his \$5 million a year wholesaling business into a \$23 million per year venture, but he had reduced his hours in the business to under 20 per week. We share Tom's story with you not because he is special (he is a very nice guy with a lovely family, but he doesn't walk on water), but because he is likely a lot like you. You're driven to succeed but feel stuck as to the best way forward. You carry the weight of your business on your shoulders without complaint and are the linchpin that holds everything together. While you work hard to grow your business, what you may not have realized is that one of the most powerful chains holding you back from succeeding on the scale you want is the way you've designed your business in the first place. Your business's heavy reliance on you, which may have been necessary when you first launched your business, has become a major weakness. Why is it that some owners can move from one successful company to another, seemingly with a golden touch? Because they have learned to master the critical methodology of building a successful business. It's like the football coach who keeps winning everywhere he goes. He wins not because of the team he has at each new organization, but because he has a system for building winning football programs. While every business is different, just like every team, it's our belief that the commonalities of building a successful business far outweigh their specialized differences. What's more, you likely already know enough of the specialized idiosyncrasies for your industry. If you just mapped them onto a better model of building a business, you'd soon enjoy a radically enhanced success with your business. Still, there are going to be many owners who say, "But my business is different. It's special." What they never realize is that by asserting their business's specialness, they've locked themselves into being involved in every detail of that business. Their belief that their

business can't be weaned off its reliance on them since it is so specialized, complicated, or unique is one of the most expensive limiting beliefs they could ever own. It literally costs them millions of dollars of lost growth. What's more, it also costs them their freedom as they become trapped in the very business they once launched to help them become free. If you think your business is unlike any other company out there, you miss the chance to learn from what other successful companies and business owners have spent years learning and proving. Imagine a football team that had a chance to be coached by the winningest football coach of all time, but instead says, "We don't want your help because you coached other teams, not ours." So why would a business owner turn his back on a proven methodology to sustainably grow his company, and instead lock himself into an expensive cycle of solo trial and error? Generally, it's because he equates reducing his business's reliance on him with a loss of control. He fears that by his letting go of the "control," major disasters will strike and the business will be irreparably harmed. The irony is that the more the owner feels like he is in "control," the more he isn't. Although the superficial reins of power may be his, at the core he doesn't own the business—the business owns him. Take Sandy's example. She owned a very successful company that worked for large corporations planning and executing major promotional events and campaigns. When two of her key employees had family emergencies, she was the one who had to step in and fill in all the gaps. A third key employee went away on a previously planned vacation right in the middle of that business storm, leaving Sandy the sole manager left behind to deal with the stress and strain of the massively understaffed company. It probably won't surprise you that when we asked Sandy what she would do if faced with the same family emergencies as these two key employees, Sandy said she would find a way to work and handle the emergency. As for what she would have done if she had been the one with the vacation planned for this time, well, she didn't even hesitate to cancel the vacation to deal with the business crisis. When you centralize all the control on you, your business doesn't have the depth and strength to operate without you there. You've built a business—and backed yourself into a corner. The "Hit by a Bus" Test We want to ask you an extremely important question, one that very few business owners ever allow themselves to consider because often the answer is too painful to contemplate: If you were hit by a bus tomorrow (or otherwise incapacitated), what would happen to your business? We surveyed more than 1,000 business owners over the past five years, and our findings revealed that if the average business owner became incapacitated and couldn't work, their business would fail in less than 30 days. Thirty days! Think about what this would mean for their families, employees, and customers. You put in all those years of blood, sweat, and tears to build something that could literally end in an instant. Even if you are blessed with the health and good fortune never to be hurt or unable to work, that doesn't mean you're home free. The unfortunate reality is that most business owners build a job for themselves, not a business. The businesses they are creating are dependent on their showing up to run them, day in, day out. They have built what we call owner-reliant businesses, with long hours, no real freedom, and no defined exit strategy. Even "successful" businesses have to deal with this challenge. In fact, many owners of successful companies are so busy doing the day-to-day job of their business that they don't have the time or energy left to grow and develop it as a business. Here you are, having done all the hard work of growing sales and production, yet you're likely still so consumed by managing the day-to-day operations that you don't get to truly enjoy all the fruits of your labors. If you're not present each day, your business suffers, in many cases grinding to a halt. Are you really free if—even as the "business owner"—you don't control your time and what you do with it? Isn't that the entire reason you became a business owner, to control your own schedule and enjoy the time and freedom to do what you wanted, when you wanted? Of course it is. Furthermore, you simply cannot safely scale your company if you are the critical lodestone for your business. In order to scale your company you will need to build a business, not a job. Escaping the Self-Employment Trap All businesses start at Level One (start-ups), feeling their way forward to launch their new venture. Those that survive reach Level Two (owner reliant). It's here that most companies get stuck. A Level Two business is a business that works, but only because you, the business owner, are there every day to make it work. You make most of the decisions. You generate most of the business. You meet with all the key clients and perform most of the important work of the business. You stay in full control. Sure, you have people to help, but they're there to do just that—help—not to lead or take ownership of central parts of your business. The core knowledge of how to manage and direct the business is locked up in your head, and if something should happen to you, your business would crumble. Even if you manage to somehow escape for a short vacation, you probably sneak your iPad or smart phone with you on the trip and check e-mail when your family isn't looking. The painful reality is that most Level Two business owners get caught in the Self-Employment Trap. They're so busy doing the "job" of their business that they can't step back and focus on growing their business. What's more, because of the way they are building their business, the more success they have, the more trapped they become inside their company. So what's the way out of the Self-Employment Trap? You've got to work less and get your business to produce more. Remember, the more you do, the more you have to keep doing. The more you get your business to do, the more time you have to grow and build your business. This means building your business with the end in mind, the end being the day when it is no longer reliant on you the owner. We call this type of business a Level Three business. In the early years of your business,

you're naturally the main engine driving your business forward. You'll wear all the hats at various times, and you'll have few formal structures and systems within your organization upon which you can truly rely. But as the business matures, you become more confident you'll generate consistent sales and ensure that your business stays profitable. At this point, you've got a Level Two business. As you enter Level Two, you'll face a crucial decision point at which you can settle for owning a Level Two company or instead choose to raise your business to be a strong and independent entity that benefits from your involvement but is ultimately independent of it.