

Healthy, Wealthy and Wise The Lifecycle of Business Development

Text by Robert Walsh

ANY PERSON WHO is looking to start a journey must first establish where they are in order to efficiently navigate from point A to B. The most detailed map and accurate compass are relatively useless if your current position is unknown in relationship to the map. At Sound Coaching, Inc., we first establish where a business is; in essence, their "point A." From there, we break down the business's life cycle into three phases: the infancy stage, the adolescent stage and the mature stage.

The Infancy Stage

Sometimes when I tell a relatively established business owner that their organization is in its infancy stage, I get immediate blowback. The entrepreneur will defend the organization on the basis of how many years they've been in business, how profitable it is or even how recognized it is in the community. While all these things are important, it has nothing to do with how we categorize this stage. Your business is in its infancy stage if you are not able—by making a five minute phone call or writing a short note—to walk away from it for a period of 90 days. If you are not able to do this and survive, your business is in its infancy stage.

Think about this in direct comparison to the stages of human development. If you were to leave an infant alone for 90 days, what would happen to the baby? Obviously, it would not survive. If a business cannot survive without any guidance, control or interaction from the owner, then it is also in the infancy stage.

Are you both the chief cook and bottle washer in your practice? Do you tend to manage your staff as an extension of your own hands, rather than delegate specific duties and responsibilities? Are you also monetarily successful? Your answer might

be yes, but beware; organizations that are monetarily successful can still be stuck in the infancy stage. These businesses tend to have very talented producers who are adept at making money but are inconsistent managers and poor entrepreneurs. Businesses such as this tend to grow to a certain point, but no further. Additionally, a frustration usually exists that there is never enough time in the day or that staff is doing the minimum amount of work possible or, even worse, is working against you. The unfortunate result of being mired down here is that your ability to sell your practice is often fraught with disappointment because you are the business. What would someone actually be buying if you were not there?

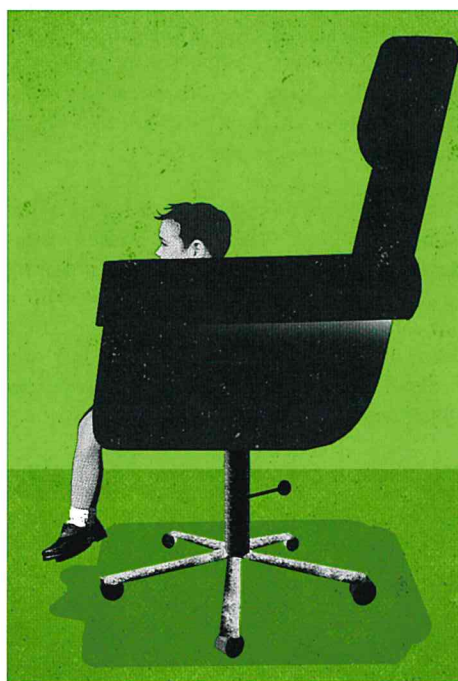


Illustration by Brian Stauffer

The Adolescent Stage

The next step of development is the adolescent stage. This is where responsibilities are delegated and Standard Operating Procedures (SOPs) for running your business are written. Note that if your SOPs are not written down, they are not SOPs. At this stage you could walk away from your business for 90 days without interruption.

Again, as a comparison to human development, for any of you who have teenagers or can honestly

remember back to when you were one, what might happen if you left a 16-year-old alone for 90 days? Would they survive? I believe most would agree they would; but, what would the house look like?

In the adolescent stage, a business could survive without its owner, but it is obvious that the business runs better when they're around. This is the stage where real staff exists and serve as more than an extension of the owner's hands. Unlike the adolescent stage of a human being, the adolescent stage of a business can last for a very long time. In fact, many businesses spend most of their life cycle in this stage and may not reach the mature stage until the owner is ready to retire or sell the business. This is truly where the real work of developing a firm begins; however, it is where many successful businesses choose not to develop into a firm and instead remain a practice. I use the word "choose" because this is a real choice. Many times, due to ego or, conversely, a lack of confidence, an entrepreneur chooses to stay where he or she is comfortable. Other times, it is a choice of inaction.

The Mature Stage

This is where you and your business have arrived! Your business is what you have created rather than what you do. Your role in the business, if you choose, is to work on the business rather than work in the business. You are relieved from the tactical responsibilities of running the practice and free to work on strategic growth initiatives to make it thrive not only today, but into the future. This is where you could sell your firm or retire with the business still thriving, but are still being compensated for your life's work.

A business coach can help facilitate and organize your journey through these life cycles. Through a goal-oriented approach, they can be the sounding board and mentor who holds you accountable for achieving your business goals. In doing so, they will work with you on the four key areas of business: time management, cash flow, corporate culture, and your business relationship with customers and the community at-large.

Where is your business in its life cycle? I invite you to embark on your own journey of making your business, as Benjamin Franklin termed it, "healthy, wealthy and wise." ●