

# **Master the Business Side of Your Business**

*By*

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## **Introduction**

People don't start businesses because they're excited about invoicing their clients, creating marketing plans, or dealing with taxes. The excitement that generates a business is born from valuable products, innovative services, or considerable expertise.

A photographer might start his own business to live his passion and reap financial rewards from it. A public relations consultant might start her own practice to make more money and have the opportunity and freedom to work from home (where her small children are growing up way too fast).

Independent thinkers aren't necessarily natural-born managers, organizers or marketers. They know how to perform a service or deliver a product, and they bring talent and expertise to the marketplace. If all you had to do, however, was make your product or service available, every person you know would start a business.

We all have one. The brother-in-law who has a new business idea during every family vacation. The mother who considers marketing a pillow to store teeth for the tooth fairy. Or the colleague who swore the Izod alligator should be attached with Velcro, so you could change the animal into a smiley face, or other icon of the day.

They all get stopped where most people get stopped. What do you do after you conceive the brilliant idea? How do you proceed with it? How do you protect it? How do you profit from it?

Some get so far as to take that first big leap...of getting a business card. They may hang a shingle or buy a dot com, thinking that once they accomplish the first step of creating something, the next step will become readily apparent. And it rarely does.

Because what differentiates successful entrepreneurs and business owners from everyone else is their ability marry the expertise side (ideas, talents and value) of their business with the *business side* of their business.

In the course of this book, you will learn how to master the *business side* of your business, so that you can be the businessperson you've always wanted to be, and have the business you've always wanted.

## **Defining the *Business Side* of Your Business**

Your expertise is, without a doubt, what makes it possible to have a business in the first place. The *business side* of your business, however, is what makes your venture profitable and sustainable. The *business side* involves the nuts-and-bolts planning and tracking activities that aren't necessarily creative, fun or interesting, but they are necessary to keeping you in business.

For example, a writer may be amazing with her craft and provide highly valuable information, but on the business side of things, she may not know how to market herself or her writing. And thus, the world at large is deprived of her hidden brilliance. Worse yet, she may have a book that sells thousands of copies, but after several selling years, she finds that she has spent all the profit and more.

Or, consider the realtor who knows how to sell houses, but who may not have any sense of how to manage his time or cash flow. He's losing referrals because of his inability to show up when he's scheduled, and his check to the printer bounced, even though he swears he had a "pretty good idea of what was coming in and going out."

Equate the *business side* of your business to ensuring that the business has a foundation, structure and maintenance system. Without structure, buildings collapse. Without a solid foundation and proper maintenance, houses deteriorate. The *business side* is the framework (the beams and solid supports) that keep your house standing solidly.

For entrepreneurs and independent professionals, the *business side* of your business is anything that gets in the way of the three things they all want most:

- ◆ more consistent profit
- ◆ more focused control
- ◆ more free time.

## What Is Avoidance Costing You?

In addition to going after what you want, consider what **not** dealing with the *business side* of your business is costing you. Put a checkmark next to any of the following points that resonate with you:

- loss of the exposure and growth that you're too harried or disorganized to create or pursue
- loss of profit, due to financial mistakes and oversights, such as late fees, missed tax deductions or overdrawn checks
- loss of time to enjoy the freedom you said you wanted when you started your business, because you waste it backtracking, correcting mistakes, and trying to figure out where you're at
- loss of fulfillment and satisfaction, since you know you can and should be managing things better, and enjoying a richer lifestyle
- loss of health and general well-being, thanks to all the stress, anxiety, frustration and even illness that your avoidance and procrastination may be causing
- loss of time with family and friends, because even when you're not scrambling to get something done, you're worrying about when and how you'll ever get it **all** done...which means you're **rarely** fully present with the people that matter...and quite often, they know it.

What frustrates you is that you know it doesn't have to be this way. "If I could just get my act together," you tell yourself, "I wouldn't have any of these business headaches and I could get my life back." And you're right. The opportunity cost of letting the *business side* of your business somehow work itself out or take care of itself is enormous.

Keep this checklist close by, and whenever you feel like quitting, look at it again. When you get real about what your avoidance is costing you, you will find you're much more motivated to stay on course.

Keep in mind that managing the *business side* of your business is not instinctual, but it can (and must) be learned for the success you deserve.

Since business management mastery is a *primal* business need, you need to learn the PRIME secrets of successfully taking on the *business side* of your business. So, let's get to it.

## **The PRIMAL Approach to Facing Your Business**

“Primal” is defined as “of first importance; fundamental.” What could be more fundamental than establishing a sound business structure? Enter the PRIME approach.

As it is with anything you want to accomplish, it’s important to break this course of action into steps. You already have enough to do, and if you inundate yourself with a complete, business overhaul all at once, you’ll end up stopping before you even get started. It’s like trying to lose 20 pounds during the first week of a diet.

Take these PRIME steps one at a time, and think through each one as it pertains to your individual business, aspirations and challenges.

### **P is for Planning**

Yogi Berra once said, “If you don’t know where you’re going, that’s where you’ll end up.” Planning and goal setting are obviously critical components in laying the path to success.

You would probably need 17 lifetimes to accomplish everything you might want to do. If you were asked to put down your top 10 goals and dreams on paper, you might find it hard to narrow it down to just 10.

“If you try to catch two rabbits at once, both escape,” suggests a proverb. If you find that you’re trying to catch several dozen rabbits at one time, break things down, much like an athletic coach would, and create your own game plan.

How do you create your own game plan?

#### **Determine what you want to happen.**

People can readily say what they don’t want. But ask a person what they do want, and they’re often afraid to say it...almost as if saying it would make it not come to pass. Determine and articulate what you DO want.

#### **Set specific and measurable goals with a “by when” deadline.**

Avoid stating vague goals, such as, “I’d like to have more money.” First off, the wording “I’d like to” is in the future, and secondly, “more” is an elusive concept that is hard to measure. You will have

achieved the goal of more money when you find a penny on the street.

Instead, strive for specific and measurable goals, such as "I'm committed that my net worth be \$25,000 greater than it is now in 5 months from today." You'll be able to tell if you're on track at the end of each month if you are not \$5,000 closer to that 5 month goal.

Don't forget to be mathematical with your planning and goal setting. If you'd like to make \$40,000 in profit this year, commit to finding 20 clients who will net \$2,000 each.

Remember that to come to fruition, every goal needs to be able to be tested. At a certain point in the future, you need to be able to say, "This goal was achieved by the time I said it would be." And, it works better if you can find periodic measurement points along the way to test if you're on track.

### **Layout your game plan and timeline.**

Once you've committed to your goals, it's time to plan.

Create an overall game plan, and break it down by quarters, series, and then specific plays. A successful person will have a playbook, which will allow him or her to know what play they're executing (as well as having secondary and tertiary back-up plans). These plans allow an entrepreneur options and flexibility on the field of their lives.

No game plan should have more than 7 parts. After all, the mind is designed to remember in chunks between 3-10 pieces of information. A game plan is only as good as your being aware of what it is. Something you can state readily and quickly will obviously be more effective than a strategy you can't clearly call to mind.

A good game plan can be developed on a cocktail napkin or a pad of paper in about 20 minutes. Being committed to a simple game plan is much more powerful than having a sophisticated playbook which you don't fully grasp.

## **Share your goals with others and establish accountability structures.**

Most often, the missing ingredient is other people. Many an ambitious, practical and worthwhile goal has not been manifested in the real world because it never left the mind of the person who conceived it.

The goal lives in your head. You don't want to look bad, so you hedge your bets. You question what people will think of you if you don't accomplish the goal.

But, the reality is that the goal has to occur in the living world, and you cannot create results all by your lonesome. As famed speaker Jim Rohn asks, "When have you ever seen a rich hermit?"

Share your goals with people who will hold you accountable, and then create a feedback loop with that person or persons. The more people to whom you tell a goal, the more likely it is to come to fruition. It's far too easy to not keep your word to yourself. Having to keep your word to others (who won't let you slide) can be highly motivating.

Now that you've empowered yourself with strong, practical goals and a plan for realizing them, take a few moments to review.

### **R is for Review**

Woodrow Wilson once said that "a nation which does not remember what it was yesterday does not know what it is today, nor what it is trying to do." Before we move onto the action phase, let's take some time to consider where you've been, so you know where you're going.

Review the hurdles that have obstructed your path to success. Identify the time and effort you're willing to realistically contribute to getting your business efforts on track.

This is also a good time to get clear about the opportunities and challenges inherent to your chosen business (ad)venture:

- ◆ **Creative professionals**, such as writers, photographers, graphic designers, and artists, provide valuable information and expertise, while solving problems with their imaginative services.

On the business side of things, they are usually disorganized and often overwhelmed. They're typically unsure about how to market themselves, and usually have money worries (including not being clear about how they make money or who their best customers are).

The greatest challenge here is that business structures and systems are counterintuitive for these right-brained talents.

- ◆ **Sales professionals**, such as realtors, brokers, lenders, insurance agents and financial advisors, are particularly effective with people, and connecting those people with the right product or service. They know the "art of the deal," handling negotiations with savvy and ease.

The constant quotas, however, make for a short-term focus at the expense of long-term success. They struggle with organization, and are often bogged down by paperwork and regulations.

The most significant challenge with this profession is the inconsistent stream of clients, leading to the feast/famine cycle: often they are too busy writing business to market their business. Then, just a few months later, they're so idle that they have to market all the time just to make ends meet.

- ◆ **Retailers and multi-level marketers** ideally have a well conceived and designed product, enjoy sharing with people, and are skilled at person-to-person selling.

Their innumerable struggles include a typically narrow distribution channel, myopic sales and marketing strategy, challenging inventory management and non-cost-based pricing structures.

- ◆ **Professional service providers**, such as consultants, coaches, lawyers, doctors, trainers, psychologists, and IT professionals, come replete with specialized knowledge, credentials or skills.

Their services are in fairly high demand, so they can usually charge a significant hourly fee. Unfortunately, they rarely have a sophisticated or comprehensive marketing strategy, and seldom set out to manage their brand.

They tend to delegate the *business side* of their business to a variety of several different people (taxes to their CPA, contract work to their attorney, etc.), none of whom communicate with one other.

The missing piece is an operations manager who can tie all the pieces together and make them work in harmony.

Now that you've taken some time to think about who you are and where you've been, it's time to get in motion and take some action.

### **I** is for *Implementation*

You've thought through your challenges and opportunities for every area of your business. You've committed to specific, measurable goals on all fronts. Now, it's time to "walk the talk".

Implement your game plan with everything you've got. If the game plan is to sell a certain number of units by a certain date, do everything in your power to make that number a reality. Whether you hit the number or you don't, the key is to respect your game plan.

***If you don't respect your game plan, then you're disrespecting yourself.*** You're telling yourself that what you said you wanted...you don't really want.

By not being in action, you're depleting your courage. Acts of courage lead to other acts of courage, while inaction and cowardice unfortunately breed more of the same. Just as physics tells us that a body in motion stays in motion and that a body at rest stays at rest, being in action will lead to more action, more satisfaction and more results than you ever imagined possible.

Speaker Jim Rohn said that "Doing less than your best erodes your self esteem and messes with your mind." It's time to implement!

Once you're in action, you need to deal with the financial, marketing, and operations management issues that have to be handled one way or another. You can either deal with them... ***or they will deal with you.***

## **M** is for *Management*

Just because you don't have corporate offices doesn't mean you can avoid these key business components. Even a one person company has to face complex business challenges, such as sophisticated financial matters, marketing and PR how-to's, not to mention operations management hurdles.

As far as the finances go, you may have to change your thinking or eliminate the receipts-shoved-into-shoebox approach to filing. Obtain and maintain an up-to-the-minute, accurate picture of your finances, so you can make better choices in the future, armed with the full knowledge of what is truly coming in and going out.

Imagine making spending decisions without knowing whether or not your business has the funds. Incredibly, that's the way most purchasing decisions are made. They're based in emotion, and not profit management.

"Well, it will help me build my business, so I bought it," you tell yourself. It's hard enough to create revenue, but even harder to create profit for your business when you don't manage your expenses effectively.

The truth is that just because "it's a business expense" and will be a tax write-off doesn't mean you need it, and doesn't justify buying it.

The two most precious commodities you have as a business owner are time and money. Hold onto time as if it were a handful of diamonds, while you hold onto your money as if it were the last penny you had.

## **Your Financial Scoreboard™**

Your Financial Scoreboard's main function is to stamp out the twin enemies of financial success: avoidance and ignorance.

People avoid knowing what their real financial stats are. They ignore their finances, and hope they will simply take care of themselves. It's as if the dishes or the laundry would do themselves.

You can't know how you're doing in any game without a scoreboard. With your own personal financial scoreboard, you'll find that:

- ◆ you now know where you stand financially.
- ◆ you have a way of keeping score, and this awareness helps you to stay on your course.
- ◆ by seeing the score over time, you get real information about what you spend vs. what you take in, and this helps you to make informed choices in setting future financial targets.

The financial scoreboard is not about budgeting. It's about getting real about your performance.

The SEC Act of 1933 has provided for the last 70 years that standard financial information be available on every public company. If individuals had to file with the SEC, and disclose their financials on a quarterly basis, it would greatly diminish the avoidance and ignorance that destroys most people's financial foundations.

Individuals and family units often approach their finances with a veiled, shady look. They don't know what to invest in or set as expenditures. They don't know how to plan or handle changes in cash flow.

The business world, conversely, uses income statements, balance sheets and statements of cash flow as major financial tools. Create personal versions of these classic financial tools, thereby creating your own effective scoreboard.

## Your Time Map™

Your Time Map is both a planning and an accountability system. Most people are not conscious of how much time they spend in the different areas of their lives. They constantly complain that they don't have enough time to work on themselves, but they're unable to see why that is.

How does the time map help?

- ◆ You can no longer pretend that extra time is somehow going to be dropped in your lap. Once you realize that there are only 112 waking hours (plus or minus a few) in a week, you can start to get real about how you're using your time and be responsible both for planning and being accountable for that time.
- ◆ You no longer get caught between roles. The time map allows you to plot out the major roles in your life, to be clear about your priorities, and prioritize between them. A visual display of how you spend your time can be very revealing.
- ◆ It creates a discipline for spending time *with intention*.

## Return on Time

It comes down to this: time, money and energy are all you have to propel yourself further. Commit to maximizing these resources for not just a return on money, but a return on time and return on energy as well. ROI (return on investment) is the common term used to answer the question "did I get a certain bang for my buck?" But, it is *return on time* which is perhaps the more important criteria.

People who work for themselves don't always factor their own time into the equation. Take the small business owner who might be pleased that his average profit is \$4000 per month. And, if you figure his time into the equation, working 40 hours per week, for 4 weeks, he gets a return on time of \$25 per hour – not too bad.

But, what if he worked 80 hours per week? Then, his return on time is only \$12.50 per hour... and that's pre-tax! Could it be that you have \$4,000 in average monthly profit, and yet you're making less than minimum wage?

The key concept here is to leverage is other peoples' time, money and energy...otherwise known as *delegating*. What can you delegate today, thereby achieving a better return on your time?

## The Big Business Model

All big businesses were once small. Look to what works for big business, and apply that to your own venture. Big business hires the best and brightest advisors; big business delegates; big business prioritizes; big business looks at specific metrics and is accountable to its stakeholders.

Running your business like big business will allow you to achieve the organization you need to progress further and faster.

### E is for *Evaluation*

To end where we began, planning and goal setting requires being accountable for what we say we're going to do. As we mentioned earlier, accountability really is the best way to force ourselves to realize any objective. Put these practices in place, and you'll soon start checking off the things you've been meaning to do for years.

#### ❑ **Be accountable to another person.**

It's a simple fact of human behavior that we are more likely to complete a task if we are held accountable to another party. Who can you make yourself accountable to?

You can turn to your significant other, but it is highly discouraged. There are just too many emotions involved in relying on the love of your life. Well-meaning friends, on the other hand, may not be tough enough on you, afraid they might hurt your feelings. You'll most likely need to look outside your "inner circle."

Develop powerful, strategic alliances. Seek out a respected professional consultant or coach to help you chart your course and keep you accountable. Or, call on a respected colleague and discuss a mentoring relationship. Surround yourself with people who support your quest for true career and life management, not those who are satisfied with the status quo.

#### ❑ **Test the goal.**

When you reach a goal, someone other than you needs to be able to objectively affirm that the goal was achieved. No multiple choice here...the goal was achieved or it wasn't.

Don't waste valuable time with excuses. If you didn't reach the goal, figure out why, and combat the downfall with a new strategy. Recommit to a new goal and timeframe.

❑ **Have regular planning meetings.**

To gauge your progress and to keep the goal setting and achievement process moving forward, schedule weekly, monthly, quarterly, and yearly meetings to review existing business plans and make any necessary changes or revisions.

Pick a place that's most comfortable for you, such as sitting on your deck at sunset with a glass of iced tea. Review your goals for the week, the month and the year. Look at your tasks for the week, and what you've accomplished. Then set new tasks to further propel you toward your individual goals.

Now, you've learned about the PRIME approach to facing the *business side* of your business. So, how will you know when you've **mastered** the *business side* of your business?

**Business Side Mastery:**

Before you contemplate when you'll know you've mastered the business side of your business, first ask yourself what the word "mastery" means to you.

The dictionary tells us that mastery is *to have control over or ownership of something*, as an artist or performer of great and exemplary skill, for example. It's also defined as *to gain the command of, so as to understand or apply; to become adept in*; as, to master a science.

Once you familiarize yourself with the PRIME approach, and begin to implement it, you will most certainly *gain the command of* our system, *become adept in* its principles, and *understand and apply* them regularly.

## **But you'll know you've truly mastered the business side of your business when:**

- ✓ You know what your revenue, expenses, profit and profit margins are.
- ✓ Your marketing efforts predictably win you the business you seek and you have specific and measurable targets for activities and results.
- ✓ You're clear about how you invest your time, money and energy

## **Why Mastery?**

Let's not forget why you seek mastery in the first place.

You started your own business to take the rat race off-ramp. You wanted more than 2 weeks of vacation. You wanted to be free from the next downsizing/ rightsizing/supersizing undertow. You wanted to be able to call the shots. Furthermore, you want to make more money, have more control and carve out more free time.

When you master the *business side* of your business, you can truly achieve the vision you had when you started this journey, or, more than likely, an even prettier picture.

Mastery is a never ending process. It's like trying to drive to the horizon...the closer you get to it, there it sits, seemingly the same distance away. That's because the more mastery you achieve, the more you realize there is to know...and the greater your vision for true success becomes.

So, there it is. The PRIME secret's out. Now you know how to achieve more consistent profit, more focused control, and more free time. Go forth, and master the business side of your business today.

## **About the Authors**

**Ivan Farber, *Ivan, Inc.***  
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Throughout a decade of spectacular achievements at two Fortune 500 financial services companies, Ivan Solomon Farber was often asked by his colleagues, "Ivan, what's your secret?"

Ivan answered that question with the founding of Ivan Inc. To empower other professionals like himself, he parlayed his experience and innate wisdom to create a solid business mastery system and set of tools that his clients have used to obtain exceptional results.

At BankBoston, Ivan was promoted four times in just five years. There, he managed marketing, sales, training and wholesaling efforts, resulting in \$750 million in new business over a three-year period.

As an Education Specialist for Charles Schwab & Company, Ivan was promoted twice in two years. There, he led more than 200 seminars for over 3,000 clients. In partnership with 17 branch offices in three states, those seminars generated in excess of \$65 million in new business.

Ivan has delivered almost 500 presentations to over 10,000 people. He holds a B.A. from Tufts University (graduating cum laude), and earned his M.B.A. in marketing from Boston College.

Ivan is a Dale Carnegie graduate and the winner of eight Toastmasters speech contests. He is the founder and chairman of Networking For Results, is active in an entrepreneurs' Business Mastermind, and, living in balance, enjoys hiking, biking and martial arts. In addition, he volunteers with Junior Achievement, teaching economics and business to high school seniors. He also serves on the Metro Auditor Citizen Advisory.

**Jennifer Kalita, *The Kalita Group, Inc.***  
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Jennifer Kalita has been a noted communications consultant, writer and strategist for over a decade. She founded The Kalita Group, Inc. in response to the market's void for professional communications consulting aimed at small businesses and independent professionals.

Throughout her career, Jennifer has worked with award-winning, high-profile marketing and public relations agencies in the Baltimore-Washington, D.C. corridor. She then took her expertise to the business arena in 1998, to show entrepreneurs and independent service providers how to achieve tangible results with intangible communication.

Jennifer now serves clients in 14 major US cities and 4 countries. In addition she has:

- ◆ Authored numerous books, including *The PR Survival Kit*; *The Home Office Parent*; *Goals Happen*; *The Ultimate Alliance*; and *Defining Ourselves at 30: Women & the New Finish Line*.
- ◆ Served as a contributing author and editor to various online communities, including [Second50Years.com](http://Second50Years.com) and [CaptureHits.com](http://CaptureHits.com).
- ◆ Developed and taught telecourses on a variety of marketing and public relations topics for small business owners.
- ◆ Coached many entrepreneurs in all facets of business launch, development, and promotion.
- ◆ Founded the *Top Floor Training* certification program and community, which teaches the accomplished executive how to parlay his/her expertise into a sustainable virtual enterprise.

A graduate of Loyola College, Jennifer resides in the Washington, D.C. metropolitan area with her family. She volunteers her time and talent to provide pro bono services to various local and national organizations, including Habitat for Humanity, the ACL Institute, and The Hear Well Foundation.