

GROW FASTER! SMART

Your Path to Freedom:

Master the Transition from
Operator to Owner

Part of the
**Freedom: Operator
to Owner Series**

**Get Your Roadmap
Now!**

Mike DeJong

GROW SMART

*YOUR PATH TO
FREEDOM: MASTER
THE TRANSITION FROM
OPERATOR TO OWNER*

Mike DeJong

Grow Smart
*Your Path to Freedom: Master the Transition from
Operator to Owner*

© 2025 High Peaks Refuge LLC
All rights reserved.

No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means—electronic, mechanical, photocopying, recording, or otherwise—without the prior written permission of the publisher, except for brief quotations used in reviews or scholarly articles.

For rights, licensing, or bulk orders, contact the publisher:

High Peaks Refuge LLC

www.mikedejong.com

www.growsmartbook.com

ISBN (Paperback): 979-8-9987260-0-2

Other editions are available in digital, hardcover, and audiobook formats.

First Edition
Printed in the United States of America
10 9 8 7 6 5 4 3 2 1

**"Being rich is having
money; being wealthy is
having time."**

- Margaret Bonnano

Contents

Acknowledgements.....	5
Preface	7
Chapter 1: Don't Grow Until You've Done This ONE Thing...15	
Chapter 2: Mindset Mastery: Becoming the Visionary Your Business Needs	25
Chapter 3: Building Systems that Scale.....	49
Chapter 4: Developing Leadership in Your Team	67
Chapter 5 Mastering: Metrics and Financial Oversight for Strategic Growth	85
Chapter 6: Crafting a Culture of Excellence	107
Chapter 7: Building a Customer-Centric Business	125
Chapter 8: Building Resilience and Adaptability for Long-Term Success	153
Chapter 9: Crafting an Exit Strategy that Preserves Your Legacy	179
Conclusion: Transform Insights Into Action.....	192
Roadmap: From Operator to Owner	194
Glossary of Terms.....	205
About Mike DeJong.....	209

Acknowledgements

My journey was not a solo endeavor. There were people along the way that shaped and guided me. I'd like to especially thank Petra Zerweck of Ad Ventures for helping me find the belief in myself that I could write a book and help many people avoid the same struggles I had. Thanks to Dani Popva of Blackfish Media for amazing the book cover.

Special thanks Doug Allen for his continued support and guidance. Doug, you embody "The Ascent". I pledge to reach down and keep pulling others up.

To Olga—Thank you for matching my drive, my belief, and my fire. You never wavered, and neither did I. Every step of this journey was steadier with you beside me.

A HUGE Thank you Tony Robbins and the Platinum Partnership Community who showed me what's possible.

Thanks to Calvin Ricks, Bob Feldman, James Oldenburg, Matt Olson and Tim Rush for your business and personal mentorship throughout the years.

Lieutenant-Colonel Fern Villeneuve (RIP) for early leadership and pilot mentorship. Captain Gareth Carter and Captain Mani Storch (RIP) for being the driving force in my early career.

My parents Joe and Maureen for for...well for being my parents :)

My Brother Iain for leading the way in this world to end homelessness.

My kiddos Garrin and Lauren, everything I do is inspired by them.

These ride or die friends that always take the call, read the manuscript and all round keep me sane. To Chris, Mark, Alan and Phil...My brothers—thank you for standing with me in every storm, for reminding me who I am, and for always showing up with strength, loyalty, and unshakable belief. If I ever lift others, it's because you lifted me first.

To the countless others who have touched my life both professionally and personally, you know who you are.

I'd also like to thank you, the reader. Without you there is no reason to write a book. I sincerely hope you benefit from it. I'd love to hear from you! What you liked, didn't like, ideas I can go deeper on for the next book, and of course, those nasty grammar and spelling errors. Drop a note at Feedback@mikedejong.com

From the desk of Mike DeJong 1/6/2025

Preface

You've grown your business, hired employees, slayed 100's of dragons and feel like you're on top of the world. BUT, you are not economically where you feel you should be.....So you have this idea to fix that.....all you need to do is GROW your business. I'm begging you right now **DO NOT DO IT! DON'T GROW!** Not until you are 100% sure you are running your business as an owner and not an operator.

I know what you're thinking, I've been there, "Of course I'm a business owner! It's my business. I started it. I grew it. I run it. I am an owner!". Maybe but probably not. You are confusing owning a business and having an owner's mindset. MOST business owners operate their businesses.

The difference between an owner's mindset and an operator's mindset lies primarily in focus and strategic approach within a business.

1. **Operator's Mindset:**

- **Task-Oriented:** Operators focus on day-to-day operations, ensuring that tasks are completed efficiently. They are hands-on, involved in the immediate functioning of the business, and often caught up in problem-solving and managing short-term issues.
- **Reactive:** An operator tends to react to challenges as they arise, which means they are constantly managing crises

instead of preventing them.

- **Micromanagement:** Operators may be too involved in the details, slowing down the team's ability to make autonomous decisions.

2. **Owner's Mindset:**

- **Vision-Oriented:** Owners focus on the big picture and long-term growth. They work on the business rather than in it, developing systems and strategies that allow it to thrive without their constant involvement.
- **Proactive:** An owner anticipates challenges before they become problems. This mindset focuses on building systems that prevent issues rather than reacting to them.
- **Delegation and Empowerment:** Owners delegate responsibilities and empower their team to manage operations, trusting that the business will function smoothly without them micromanaging.
- **Focus on Scalability:** They seek ways to grow and scale the business by creating leverage through leadership, technology, and optimization.

In short, an operator is heavily involved in execution and problem-solving, while an owner concentrates on strategic growth, system development, and long-term sustainability.

If you're like me you've read that last description and still think you are 100% an owner. In your gut you know, you just know, that you are a business owner. I felt that way as well, right up until I went on my first 10 day trip out of the country.

Let me illustrate this with a story. Years ago, I thought I was ready to step away from my business. I had a manager, some policies, and KPIs in place, so I booked a last-minute trip to Mexico. Finally, I thought, I would have the freedom I'd always dreamed of. But no sooner had I landed than my phone started buzzing with calls and messages. My manager had quit, and the team was calling me for every little problem. That "vacation" turned into me working every day from my hotel room.

That experience taught me a hard truth: I hadn't built a business that could run without me. My business was still a *hand-crank machine* that needed me there to keep it running. I realized I had to shift from just "running" my business to *building* a business that could operate independently.

But Mike I have policies. I have procedures. I look at my KPIs. I'm an owner! Please take the following evaluation. Be VERY honest with yourself. You need to see things as they really are, not worse and not better, as they REALLY are. That's when real change and the magic can happen.

Here's a 10-question evaluation designed to assess whether you operate more with an owner's mindset or an operator's mindset in your business. Each question is rated on a scale from 1 to 5, with 1 being "strongly disagree" and 5 being "strongly agree."

Owner vs. Operator Evaluation

1. I spend more time thinking about the long-term vision and strategy of my business rather than daily tasks.

1 – Strongly disagree | 2 | 3 | 4 | 5 – Strongly agree

2. I delegate daily operations to my team and trust them to handle issues without my constant involvement.

1 – Strongly disagree | 2 | 3 | 4 | 5 – Strongly agree

3. My business has systems in place that run smoothly even when I'm not involved in the day-to-day operations.

1 – Strongly disagree | 2 | 3 | 4 | 5 – Strongly agree

4. I prioritize systems and processes that will allow the business to function effectively without my daily input.

1 – Strongly disagree | 2 | 3 | 4 | 5 – Strongly agree

5. I am comfortable stepping away from the business for a week or more, knowing everything will continue to run smoothly.

1 – Strongly disagree | 2 | 3 | 4 | 5 – Strongly agree

6. I consistently review and optimize the business for long-term profitability, rather than being reactive to short-term issues.

1 – Strongly disagree | 2 | 3 | 4 | 5 – Strongly agree

7. My main focus is on increasing the value of the business rather than completing tasks myself to get things done.

1 – Strongly disagree | 2 | 3 | 4 | 5 – Strongly agree

8. My team can operate effectively without needing to constantly rely on my presence or input.

1 – Strongly disagree | 2 | 3 | 4 | 5 – Strongly agree

Scoring Matrix:

- **40-50 Points:** *Owner Mindset*
You predominantly operate with an owner's mindset. You focus on long-term strategy, scaling the business, and empowering your team to run daily operations independently of you.
- **25-39 Points:** *Balanced Approach*
You are in transition from operator to owner. While you still handle some operational aspects, you're also focusing on developing systems and long-term strategies to run the business more independently.
- **10-24 Points:** *Operator Mindset*
You are heavily involved in the day-to-day running of the business. To adopt an owner's mindset, you will need to focus more on building systems, delegating tasks, and thinking about the long-term growth and scalability of the business.

Surprised? I bet more than a few of you are. If you scored in the Owner Mindset, congratulations! I still have a few tidbits for you but most of this book will just reinforce what you already know. Get the Balanced Approach? I have some gold in here for you. You'll be an owner before you know it. Land in the Operator Mindset? Don't beat yourself up. I suspect 90% of business owners operate in this area. If you take the actions outlined in the book your life will dramatically change!

I tried growing before I was a true owner. I had a \$1.2 million dollar business in a world where 95% of businesses will never make a single million during their lifespan. I did it in a year. I was hot stuff! The only problem was I didn't have any money. What to do? Grow of course! If I have a higher top line that will of course filter down to the bottom line right? And I'll be able to afford better/more managers, have more products, service more customers. I'll take home more money and everyone will win!

Yeah, not so much. I did grow. I grew double digits for several years. Then I added a second location. Then a third. Started building a fourth and bought an underperforming business (actually did this twice) in between and my top line revenue grew! And my bottom line stayed about the same and some years even went backwards. What was happening?! Where was the money??

All the while I was working harder and harder, more hours, fewer vacations, lots more stress. Something had to give. I promoted one of my managers to District Manager and stepped away. I had no joy in the day to day. I couldn't do it anymore. I stepped away and did what business owners are supposed to do. What we all say we want when we start our own business. I got more time to myself, and I travelled. I bet you can imagine how that worked out. You are correct, I very nearly went bankrupt. I was about 60 days away when I stepped back in and started operating again.

What went wrong? Simple, I had a hand crank business not one built on automated practices. Without me there to conduct operations my very well meaning DM and managers did the very best they could but ultimately almost put me out of business. It was my fault, not theirs. I had to really look at every aspect of my business and rebuild it from the ground up to be owner led.

Please join me to discover how you can get from operator to owner. Learn from my basic mistakes and save yourself \$100,000's and years of time!

For a copy of the Operator vs Owner Evaluation, or any other resources referenced in this book, please visit mikedejong.com/resources for free downloadbale copies and many other helpful items. Yes its 100% free, no stings attached and no sales pitch.

I forgot to mention there is also a custom ChatGPT plugin you can use that works with the book to help you impalement faster....you're welcome :)

Chapter 1: Don't Grow Until You've Done This ONE Thing

You've done it. You started a business, hired a team, overcame countless obstacles, and you're at the top of your game—or so it feels. But there's a problem you can't shake financially, you're not where you thought you'd be by now. The temptation is to grow bigger, to increase revenue, to expand until everything works out. But I'm here to tell you: **Stop. Don't grow—yet.**

Before you rush into scaling, ask yourself a fundamental question: Are you truly running your business with an *owner's mindset*, or are you still trapped in the *operator's mindset*? This difference isn't just a matter of titles; it's the difference between building a sustainable, thriving business and creating a stress-inducing, fragile enterprise that keeps you bound to daily operations. You should have your answer from the quiz in the preface. Let's not judge, let's just dig in and get going!

The Operator vs. The Owner: A Crucial Shift

Here's the reality: Owning a business and having an owner's mindset are worlds apart. Many entrepreneurs think of themselves as owners simply because they

founded their company. But if you're still the person everyone turns to for answers, constantly fighting fires and juggling tasks, you're in "operator mode." And that mindset will keep you stuck.

The Operator's Mindset

- **Task-Oriented:** Operators are consumed with getting things done today. They're in the weeds, checking off tasks, and focusing on short-term wins.
- **Reactive:** Operators jump from one crisis to the next, always in a reactive state.
- **Micromanagement:** Operators struggle to trust their team with responsibilities, convinced that if they're not directly involved, things will fall apart.

The Owner's Mindset

- **Vision-Oriented:** Owners focus on long-term goals and strategic planning, seeing the bigger picture.
- **Proactive:** Owners anticipate issues before they happen, setting up systems to prevent problems.
- **Empowering:** Owner's partner and delegate effectively, trusting their team to handle operations and make decisions, so the business can grow without their constant involvement.

Why Most Business Owners Are Stuck in the Operator Mindset

Many entrepreneurs start their business with dreams of freedom—only to find themselves trapped by the daily grind. Why? Because the operator mindset is an easy trap to fall into. It's based on the idea that *if you just work harder*, things will get better. But true ownership requires a willingness to change how you see yourself and your role in the business. You need to shift from thinking about *doing* to thinking about *leading*.

I made the realization in August 2022 that I was an operator when I attended a business seminar. I was literally in the back row wondering why I said yes to this seminar that I could not afford and had very little trust could help me. But I figured I travelled and spent my time and money to be there, so I better get something out of it! That something was the spark that really made the difference in my business and my life. I was surrounded by other business owners who were really operators. We were telling each other how busy we were, how hard it was to get away for this event. How if we could just pick up one or two small tools we could implement it would be a great success. Then the content really started to flow and the break out sessions happened and I realized there was a different type of business owner there, actual owners. People who ran multiple businesses and did it from their house in Mexico or while skiing in Aspen. At first I thought they just scaled faster or had better margins

but then I realized that they ran their businesses differently and I decided on the last day of the seminar I would as well! Stick with me and you too can make the change!

The Freedom Paradox: More Growth, Less Freedom

You probably got into business for the freedom—to control your time, to have choices, to live life on your terms. But without the owner’s mindset, growth often has the opposite effect.

Scaling while still in operator mode is like building a house on sand; the more weight you add, the more unstable it becomes. True freedom comes from creating a business that can thrive without you, allowing you to focus on strategic growth rather than being stuck in the trenches.

My Personal Story: The Vacation That Changed Everything

Years ago, I thought I was ready to step away from my business. I had a manager in place for 6 months. The last piece of the puzzle, or so I thought, to have a “real” business. There was one too many spring snow storms and I wanted out. I thought to myself “I own my own business so I can take vacations and travel whenever I wish” so I booked a last-minute trip to Mexico.

Booked on Sunday and left on Tuesday. I briefed my manager on Monday and away I went.

Let me paint you a picture. Walking off the plane into 80-degree sunshine. Palm trees on the horizon. The smell of salt air. Bob Marley playing (clique I know but it was playing) when my phone rang. Yes, I turned it on the moment I landed. It was my manager letting me know she was quitting but she'd stay on until I returned. Then calls, email and texts for the rest of the trip from sales, production, event staff and customers. All with questions my manager didn't know how to answer even if she wasn't quitting.

I did get some sun, a change of scenery and some great Mexican food, it was nothing like the vacation I envisioned. I had to WORK every day. I returned home and really thought (at least that's what I believed I was doing) about why that was. I came to the conclusion that it was because I didn't empower my people to make decisions. I worked on changing that and went on another vacation, this time to Florida in the late fall of the same year. Guess what? Same level of calls, emails and texts.

Frustrated, I came home and sought some help. I went to Tony Robbins Business Mastery. I analyzed all aspects of my business with a new lens of how could this part function with zero input from me for months at a time? I looked at all my policies (there were almost none) and procedures (even fewer) and realized we were a group getting things done but with no definable structure and ignored lines of communication. How could this be? I

have a background in mechanical engineering, commercial aviation and worked for a fortune 500 company for years? In my pre-business owner life, I became meeting/memo/procedure/KPI/policies out! I wanted a place where I could make stuff, sell stuff and keep my employees and customers very happy. I figured doing away with all the rigid rules would accomplish that. All it did was make for a bunch of ad-hoc solutions, bad procedures (they exist whether you create them, or they grow organically), rigged production, and unclear sales practices. No one knew what they could or couldn't do and who was in charge. If everyone is in charge, no one is in charge. It was time for a change.

The Hidden Costs of the Operator Mindset

Staying stuck in the operator mindset costs you more than you might realize. Yes, it costs you time and money, but it also costs you peace of mind, personal freedom, and missed opportunities for strategic growth. When you're buried in daily tasks, you lose the ability to step back, see the bigger picture, and make decisions that would propel your business forward. The operator mindset is a thief—it robs you of the freedom, creativity, and impact you set out to achieve.

The True Foundation: Building a Business on Systems, Not Just Hustle

Owners think in terms of systems, not tasks. Systems are the backbone of any scalable business. Imagine if your business were a machine that ran on its own, with every team member clear on their role, handling problems, and driving the business forward independently. Systems give you consistency, reliability, and the freedom to work on your business, rather than in it.

1. **Systematize Key Processes:** Identify the core functions of your business—like customer service, sales, and operations—and systematize them so they can run without you.
2. **Document Everything:** Document procedures, so that every team member has a clear roadmap to follow.
3. **Set Up Automation Where Possible:** Automate repetitive tasks to free up your team’s time for higher-value work.

In the chapters that follow, we’ll go deep on how to make all this happen.

The Often-Overlooked Power of an Empowered Team

One of the greatest assets you can develop is a team that doesn't just complete tasks but takes ownership.

Empowering your team is more than just assigning duties; it's about building leaders within your business who think strategically, make decisions confidently, and contribute to the business's growth.

1. **Delegate Authority, Not Just Tasks:** Empower your team members to make decisions, not just complete assignments. Give them the tools and responsibility to act.
2. **Trust in Their Abilities:** Truly empowered teams don't just execute; they take initiative, problem-solve, and grow your business without needing your constant input.
3. **Build Leaders, Not Followers:** When you foster a leadership mindset in your team, they become invested in the success of the business, driving it forward even in your absence.

Why You Shouldn't Grow Yet—The Danger of Scaling Without This Shift

Expanding your business while still in the operator mindset is like adding floors to a building with a shaky foundation. You're adding more weight, more responsibility, and more complexity, without the support structure to hold it all up. Growth without stability only

leads to burnout and potential financial trouble. Before scaling, commit to building the foundation of a truly owner-led business.

Chapter Summary

In this chapter, we explored the fundamental difference between operating a business and owning one. By defining the operator mindset versus the owner mindset, we highlighted why staying in operator mode limits growth, freedom, and scalability. We discussed the pitfalls of premature expansion, the necessity of systems to create consistency, and the often-overlooked power of empowering your team to think and act independently. The takeaway? Shifting from operator to owner isn't about working harder—it's about redefining your role, implementing structure, and building a team that shares your vision. Mastering this shift is the foundation for long-term success and genuine freedom.

In the following chapters we'll go deeper on the how's and whys. Read on if you're ready to start your transformation from operator to owner. *An Idea Even the Experts Miss: The Real Magic of Building Trust*

Even the most successful entrepreneurs sometimes miss this: the power of building genuine trust within your team. This goes beyond delegation. When your team trusts that you value their autonomy and trust them with meaningful responsibility, they rise to the challenge. This creates an environment where people don't just work for

a paycheck—they work for a purpose. This isn't just about growing the business; it's about creating a legacy.

Trust breeds loyalty, accountability, and innovation, and it's one of the least utilized and most powerful tools you have as a business owner. When your team believes in the vision as strongly as you do, they'll go above and beyond to make it happen, with or without you there.

Preparing for What's Next

In **Chapter 2**, we'll dive into the mindset needed for this shift to ownership and the personal growth required to make it real. Becoming an owner isn't just about business skills; it's about transforming yourself into the kind of leader who can truly empower a team, create a sustainable vision, and enjoy the freedom you set out to achieve. This journey isn't just about growing a business; it's about building a life that fulfills you and impacts everyone around you.

Let's get started on this transformation.

Chapter 2: Mindset Mastery: Becoming the Visionary Your Business Needs

In the journey from operator to owner, nothing is more powerful—or more challenging—than mastering your mindset. Building a business that thrives without you begins with how you think, plan, and approach challenges. The shift isn't just from worker to leader; it's from tactician to visionary. This chapter is about transforming the way you see yourself and your role so you can inspire and lead your business toward its full potential.

Why Mindset Matters More Than Tactics

To be a visionary leader, you need a mindset that transcends daily tasks and immediate problems. Most people focus on “how” and “what”—how to solve the next problem, what tactic to implement next. But owners who thrive focus on *why* and *who*—why their business exists and who they need to become to drive it forward. Adopting a visionary mindset allows you to see beyond immediate issues and focus on the purpose and potential of your business.

This shift for me started a few years into franchise ownership. Holidays are our busiest time. In every prior

holiday I drove every aspect of the business: What staffing we needed, how much product we needed to make, where we store the product, plans for selling it, everything. I discovered at the end of any given day leading up to the holidays it was me in the store, often to 5am, completing all the tasks that my team didn't get done that day. Time waits for no one and if a task wasn't finished, we'd simply run out of hours to get it done before the holiday.

Every holiday every year I was frustrated that my employees wouldn't help. Some of them would but most of them wouldn't. When their shift was over they went home and they refused to work longer shifts. As I was growing and expanding I knew this was unsustainable and I needed to figure out why. and that's when it hit me it was all about the why! Not just my why but how it fits into their why.

Discovering their why became the lever for people transitioning from employee to team member. I started having conversations with people on how our products touch lives and the employee started to realize we don't just sell cakes we participate in life experiences. Then they started thinking about their personal life experiences and how they intertwined. This shift changed everything. The next holiday they kicked me out and said I was slowing them down. In every holiday since then I just check in but mostly stay away. I know they have it.

The change happened because they understood how my why and their why were aligned. The Psychology of True Ownership

At its core, shifting to an owner's mindset is about embracing accountability at a whole new level. It's not just about owning the business; it's about owning every outcome. Owners don't blame the market, employees, or external factors. They ask, *What can I do to set up my team and business for success?* When you embrace this accountability, every challenge becomes an opportunity for growth.

On the surface I think many of us do this already. but I don't think we really internalize it and lead by it to the point where our team believes it. I know when my team started believing it. We missed a Sunday wedding order.

We do a lot of wedding orders. Cake for a person's wedding is a sacred responsibility. At the time we were closed on Sundays, and we very rarely took a Sunday wedding order. Wedding orders are usually taken months in advance and entered into our POS system. Our POS system at the time did not have any way for us to look ahead except through a very manual process, so the rare time a Sunday wedding order was taken the process was to get the manager's approval and we would somehow mythically remember we had an order on a Sunday at some point in the future.

Yes I'm cringing too thinking about how stupid that system was, but every system works right up until it doesn't, even if we should know better.

In this case the manager wasn't told or at least doesn't remember being told no one checked if we had any orders on a Sunday and we came in on a Monday morning to a series of angrier and angrier voicemails. Yes, that's right we also had no system for checking our voicemails on Sundays.

The manager and teammates wanted to crucify this employee. How can we do this to a couple, how badly has this tarnished our reputation! It was all her fault! But I realized it wasn't, it was my fault. I allowed a shoddy system to be used. A system with places we could break the value chain and it was only a matter of time before we missed an order. I stepped up and owned that. I got the team to understand that by not setting up a process that was impossible to fail I'd set that employee up to fail. I took the fall and the blame was squarely on my shoulders. I then used it as a teaching moment,

I explained how everybody in the business lives under 100% responsibility 0% blame culture. It wasn't just a sign on the wall. I asked that they all speak up when they see something that wasn't working or could potentially break and cause a safety or customer service issue. While they believed me because they saw it, the change took many months of consistent leadership in this area until they truly owned it. Years and years of someone

always pointing the finger at home or at school or other jobs takes time to overcome.

In case you're wondering, that couple got some cake from a local grocery store and still had a beautiful wedding. I made it right for them by donating cakes to their favorite charity that year and every year since during the charity's big Gala event. I look forward to that event as it's a reminder of the turning point of when my team really started believing and living 100/0 culture.

The Power of Emotional Mastery

Great leaders know that their own emotional state sets the tone for the entire business. As an owner, resilience and emotional strength are non-negotiable. Emotional mastery allows you to stay calm under pressure, make thoughtful decisions, and inspire confidence in your team.

Without it, every small challenge feels overwhelming. With it, you become the rock your business can rely on, even in the stormiest of times.

- **Staying Calm Under Pressure:** Learn to pause and respond rather than react in moments of stress.
- **Embracing Optimism:** A positive outlook attracts people, opportunities, and solutions.
- **Emotional Regulation:** Master techniques for managing frustration, anxiety, and doubt so you can lead with clarity.

I'm lucky that I learned this early in my life during my flight instruction days. When you find yourself upside down and on fire getting upset doesn't help the situation. I could think of dozens of times since then where stepping into a leadership role with emotional mastery won the day.

From cars driving through buildings, buildings catching on fire or partially collapsing, to employee and customer meltdowns. Staying calm, finding the positive opportunity in regulating your frustration leads others to stay calm and regulate themselves making for a faster recovery and better outcome for everyone involved.

Reframing Problems as Strategic Opportunities

To thrive as a visionary, you need to shift your perspective from seeing obstacles as problems to viewing them as opportunities for strategic growth. Every challenge—whether it's a staffing issue, a financial setback, or a customer complaint—holds valuable lessons. Train yourself to ask: *How can this make my business stronger?* This reframing turns challenges into fuel for growth and pushes you to find creative solutions.

I've seen it my whole life and used to participate in it myself. When there's a problem people tend to think of why is this happening to them or what's wrong with that customer that they can't see how awesome our product is. An example where a small change has led to huge

benefits in my business was how the team started handling customer complaints.

For a long time they'd watch me take care of the customer but I found out later between themselves they were saying how I was giving everything away, that the customer was wrong and was robbing us. When I learned of this I started explaining my why and it became their why too.

While there is the rare person out there just out to get something for free, most people have to be pretty upset before they complain. I asked my team how often they complain when food at a restaurant is wrong or something else on a vacation doesn't go to plan? They universally told me almost never. Things have to be pretty terrible before they speak up. I then got them thinking if our customers are complaining do you think they're that rare person that complains about everything or are most of them at a point where they're very frustrated and felt the need to speak up? They tried talking about that one person that comes in every week, and I said okay perhaps there's that one person but would you agree that most just hit their frustration limit? They agreed. "All right" I said, "Let's listen to what the customer is trying to tell us and fix it". "You're right" they said, "Let's do that!"

We started looking at various complaints that have come over the past few weeks and they quickly tried to change

their mind. They told me there was no way that Rossie would treat a customer that way or there's no way the cake was dry or there's no way we ran out of product. I started asking more questions. For example, "Is there something that happened in Rossie's life on the day that the customer complained? Do we have a new baker on the week that they complained that the cake was dry? Are our new Guest Services people keeping the display case full the day the customers complain we're out of product?" Of course, these questions and others led to revelations that the customer complaint was valid.

The next step was helping them understand by taking care of the customers they weren't robbing me. Many employees over the years have told me I need the customer to prove there's a problem. I can't just give them free product; that's like stealing from you. I love that they're trying to protect me but by protecting me they're actually hurting me.

Here's how I explain it to them. If you received the wrong flavor cake and had to bring what was left back to the bakery with your receipt to prove that it was wrong and then the bakery maybe gives you a new cake or a partial refund, would you be telling all your friends how wonderful the bakery taking care you and how you were understood and listen to? Perhaps you would be telling them all this long dramatic story of how your kids' birthday party was ruined. That you had to trek through the snow uphill both ways, how you had to heroically dig through your purse for three hours to find your receipt,

how you had to dig through the trash to find the last remnants of the wrong cake flavor that you didn't want.

A much better experience would be “I am so sorry we got that wrong. I feel terrible. How can I make it right for you?” and let the customer tell us. Most just want to be heard. If they want a replacement cake, take it to the next level.

“Yes, absolutely we'll get you a new cake right away! Where can we deliver that to? Do you want that today or would you like to save that replacement for your next big occasion where the cake will be on us?” What story do you think they're telling their friends and family? Which story do you think is going to drive customers to our store? The cost of that new cake is worth 100x in free marketing and will likely get us a raving fan customer for life.

This is a small example; any issue can be turned into an opportunity!

Building and Embracing a Growth Mindset

A growth mindset is essential for leadership. This mindset is about seeing both yourself and your business as constantly evolving. Embracing that failure is just a step in the process.

Owners who have a growth mindset don't settle for “good enough” or fear mistakes—they push boundaries, learn from setbacks, and continually improve. They're hungry for knowledge, open to feedback, and resilient in the face of challenges. You always get what you tolerate.

- **Continuous Learning:** Commit to regularly consuming knowledge that challenges your current perspective.
- **Seek Feedback:** Use constructive criticism as fuel for improvement.
- **Bounce Back:** Cultivate resilience by learning from mistakes instead of dwelling on them.

I use NET time (No Extra Time) to listen to podcasts and audio books while on my morning run or driving. I also read several books a week and watch YouTube videos from people I respect to get new business insights. When do I have time for books and YouTube? I rarely watch TV and spend close to zero personal time on social media. The average American spends 8 hours a day watching TV and even more on their phones. By not embracing that I gain an extra business day every day to improve myself and my business. I'm not telling you you need to give it all up, but even an hour a day spent on self-development will bring profound changes in your life, setting yourself apart from your competition that only works on their business and not themselves.

Seek feedback. It's the only way to grow as we are often blind to our own issues. That doesn't mean people can be disrespectful. It does mean they can safely bring something up that they noticed or think can be improved upon.

I bounce back quickly, don't dwell, But I do ensure to think about major items that went wrong and what broke

in the value chain so that it won't happen again. I also spend time thinking about what went right so I can duplicate it!

Vision-Driven Leadership: Building a Clear, Compelling Vision

A visionary leader doesn't just have a business plan; they have a vision that inspires. Your vision should define where you want your business to go and why it matters. Without this, you'll be stuck in reaction mode, constantly pivoting to address short-term challenges rather than making steady progress toward a meaningful goal. Your vision is your North Star, and it should be clear, ambitious, and tied to something bigger than yourself.

- **Craft a Compelling Vision Statement:** Develop a *one-sentence* statement that encapsulates your business's mission.
- **Link Vision to Purpose:** Connect the “what” of your vision to a deeper “why.”
- **Share Your Vision Constantly:** Communicate your vision to your team regularly to inspire alignment and commitment. It is not enough that you have a vision, you have to share your vision continuously and you have to share it in a way it can be understood by all.

Sounds pretty simple. Sometimes the simplest tasks turn out to be the very hardest.

Setting High Standards and Non-

Negotiable Values

As a visionary leader, you set the tone for standards and values in your business. When you set and hold high standards, you cultivate excellence and integrity within your team. These non-negotiable aren't just rules—they're the foundation of a strong business culture. Define what's important, live by it, and make sure your team understands it's the backbone of everything you do. Remember, I don't like rules, we talked about this, but I do like a strong foundation!

Define Core Values: Identify three to five values that embody your business's mission.

- **Create Clear Standards:** Develop benchmarks for performance that align with these values.
- **Lead by Example:** Show your team what these values look like in action.

Standards and values are not like parenting, “Do as I say not as I do”. They absolutely have to be as I say *and* as I do. I highly recommend meeting with your team as many times as it takes to determine your core values and to create clear standards. If your team has a hand in the creation they will own them, they will live and breathe them. If they're mandated by you, they'll have less impact. It was interesting when I experienced this because my team came up with values and standards, I found important but didn't think of. Your team will surprise you as well.

Practicing Patience and Perseverance

Growth doesn't happen overnight, and some of the most impactful transformations take time. A visionary mindset is rooted in patience, knowing that each day's work contributes to a larger purpose. But it's also about perseverance, the determination to keep moving forward, especially when things don't go as planned. This combination of patience and tenacity is what makes long-term success possible.

- **Embrace the Long Game:** Remember, quick wins are fleeting; sustainable growth takes time.
- **Celebrate Small Wins:** Acknowledge the progress you're making to stay motivated.
- **Stay Resilient:** Develop the habit of persistence, even when faced with setbacks.

If you're always looking for the quick win, you're more in a hustler mindset than an owner mindset. We all overestimate what we can do in a year and underestimate what we can do in a decade. Set up your foundation now and all the incremental steps you take from there will reap HUGE rewards in the years to come.

In my first franchise when I started looking to grow and open a second location there was a process that the franchise required me to go through. I thought I was ready, more than ready. They thought otherwise. They were right. I was disappointed in the moment, but didn't stay in that mindset for very long. Going through the

growth process I knew where changes had to be made, I came up with a plan and a timeline then got to work. While executing the plan I made sure myself and my team celebrated the small wins and the learned experiences along the way to keep us motivated towards the larger goal. If we had setbacks we didn't sit there and think we're never going to get to the goal instead we regrouped, we revised the plan and moved forward again.

Celebrating along the way, embracing the long game celebrating even the tiniest victories and not letting the inevitable issues bring you down will guarantee you success in the long run!

Mindfulness Practices for Focused Leadership

Mindfulness isn't just a personal wellness tool—it's a powerful business practice. Staying grounded in the present allows you to make clear, focused decisions, especially in high-stress situations. Practicing mindfulness helps you tune out distractions, keep your vision top of mind, and make choices that are aligned with your long-term goals.

- **Daily Meditation or Reflection:** Set aside time each day to clear your mind and refocus.
- **Mindful Decision-Making:** Pause and assess before responding to challenges.
- **Presence in Meetings:** Be fully engaged in every team interaction, giving your team the attention they deserve.

I understand for many people mindfulness practices seem very woo woo. With an engineering and aviation background I can assure you they initially seemed very woo to me as well! I can also attest to the fact that after I embraced them my life has changed dramatically for the better. The expression ‘Turn expectations into appreciation’ isn't just a phrase anymore, it's reality.

Meditation doesn't mean going and spending a few months with a guru and then hours every day in your Zen garden. It can mean that if you want it to. For me it's 10 to 15 minutes in the morning of reflecting on what I'm appreciative for and thinking about my long-term goals. I'll admit initially it meant taking a nap. With some help from my girlfriend and some practice it's now something I look forward to every day. If you can't actually get into a meditative state, at least you'll get a 10-minute nap.

We all make thousands of decisions every day from what clothes we're going to wear and what we're going to have for breakfast, to who we're going to hire as our store manager. However, some decisions are more important than others and for those decisions taking a mindfulness approach will have many long-term benefits. When we are in our automatic decision making brain, we will make a decision that runs away from pain rather than one that runs towards pleasure. It's what kept us alive for millions of years. By being mindful and stopping to consider the short-term pain is okay, you'll achieve massive long-term pleasure. Your decision-making will be reshaped.

An example that keeps repeating in my business is holding on to an employee too long. The short-term pain of losing them is always front of mind. Who's going to do the work? Who's going to service their customers? How's the team going to feel?

Presence, not just in meetings, but any interaction with employees and customers makes them feel seen and heard. That translates into them wanting to work with you to achieve your why! Stay off your phone and email and pay attention. Think about a time you really felt seen? Give that gift and you will be followed even when you're not physically there.

Visualization Techniques for Achieving Goals

Great leaders don't just plan; they visualize their goals as if they're already achieved. Visualization is a powerful mental tool that primes your mind for success. When you consistently visualize your desired outcomes, you create a roadmap for your brain, which aligns your actions and decisions to bring that vision to life.

- **Create a Mental Picture of Success:** Visualize what a thriving, owner-led business looks like.
- **Practice Daily Visualization:** A great place to start your daily meditation is to spend a few minutes each day mentally walking through your ideal business outcomes.

- **Revisit Your Vision Regularly:** Keep your goals vivid and present in your mind as a source of motivation.

What does your mental picture of success look like? Is it I need to make \$1 million dollars a year? Is it I need to take my kids to Disneyland twice a year? Is it I have to own so many buildings or so many businesses? Or perhaps it's my child gets into the correct college? Whatever it is, it can't be as vague as the statements I just made. It has to be crystal clear in your mind. You have to be able to see it, stand in it, smell it, feel it, taste it! The colors, sounds and smells all have to be so vibrant that you feel you're living in that future.

Your future also needs to align with your "why". Why do you want this future. The best whys are greater than yourself. A why stating 'I just want to feel safe' is good but not as motivating as 'I want absolute financial freedom and safety for all of my loved ones and myself'. Better yet have a detailed why, such as 'I want to help others achieve the same success I have while taking care of underprivileged people and growing wealth for my family for many generations'. Studies show that humans will work harder for others than they will for themselves.

My vision, my why is to help franchise owners not have the same levels of pain and make the same mistakes I did, helping them to scale properly. Then taking any income I get from this endeavor to invest in low-income housing to help homeless people. Ultimately having that

low income housing bring generational wealth for my family.

When I take time every day to visualize this, I see myself working with a couple of franchisees who have been at it for three years and are at the end of their rope. They're making enough money to survive but they're not thriving. They're explaining how they work day in and day out, open to close, taking care of their employees, taking care of their customers, taking care of their children and not taking care of themselves. I visualized myself teaching them the lessons that you're learning from this book and then I fast forward a year and I see them opening their second and planning for their third location. I see them taking regular vacations. I see their kids happier because they get to spend time with Mom and Dad. I then transition and see a well-maintained apartment building in a rougher part of town. It's a bright spring day. Leaves are budding on the trees by the curb. The front door is being painted. I can smell the paint being applied. There are some robins chirping in those trees. I can feel the heat of the sun on my cheek. I hear the street sounds of garbage cans being brought out for collection that day and car horns. I see people's laundry hanging from the fire escape. I blush a little at some of the articles displayed. I relish the fact that the income from this property and 10 others just like it are now going to let me buy an 11th and the acceleration is happening where I could quickly have a 12th and a 13th and a 14th helping even more people. And I'm secure in knowing that these properties will take care of my children and their children

and their children for generations to come while helping the people that live in these buildings.

The vision described above is my newest vision. My last vision involved me writing a book, a book that helps franchisees not make the same mistakes I did. I won't get into all the details of that vision, but I can tell you it worked!

Make it as real as possible. Can you see it, feel it, smell it and taste it? If you can it will happen.

Avoiding Vision Blockers and Limiting Beliefs

The journey to becoming an owner, a visionary leader requires you to face your own doubts and limiting beliefs (thank you Tony Robbins). Recognize and remove mental roadblocks that keep you in a limited, operator mindset. By identifying these blockers, you can replace them with empowering beliefs that propel you forward.

- **Identify Limiting Beliefs:** Pinpoint beliefs that hold you back, like fear of delegation or doubts about scaling.
- **Reframe Negative Thoughts:** Shift from “I can’t” to “How can I?”
- **Adopt an Abundance Mindset:** Believe in limitless growth and potential for both you and your team.

Limiting beliefs are vision killers! We all have them, it's when we start looking at them, taking them off the shelf and analyzing them, that allows us to have dramatic breakthroughs. I've heard it explained that our success is like a thermometer if we're a 72° person when we get to 75°, we subconsciously self-sabotage to get ourselves back to 72° on the flip side if we get down to 68° we get highly motivated to get ourselves back up to 72°. Our limiting beliefs are what keep us at 72°.

Some of my limiting beliefs were, "Who am I, this small-town guy to own a business? Who would want to listen to anything I have to say? Making money makes me greedy!" I can't say they never come back but I've been working for years to re-frame them. My small-town perspective, and work ethic makes me a great business owner. My years of varied experience as a pilot, engineer, operations manager, and business owner give me a point of view that many people need to hear! The more money I make, the more people I can help and the more I can ensure my family is taken care of for generations!

Limiting beliefs are like dust on a shelf. They quietly accumulate over time unless you make an effort to clean them off regularly. It's not a one and done exercise. Keep looking out for your limiting beliefs.

My entire life changed when I didn't just adopt but embraced an abundance mindset. My income accelerated.

My free time became plentiful. My vacation's bolder with more adventure and my relationships became deeper. When you take the time to transform your dreams to goals, that is write them down, then take the next step to visualize them every single day, they will happen!

Action Areas

Define Key Metrics

Identify and track essential KPIs that measure your business's health and growth.

Shift from Task-Focused to Vision-Focused

Concentrate on strategic planning and long-term goals rather than daily operations.

Delegate Authority, Not Just Tasks

Empower team members to make decisions within set guidelines to foster autonomy.

Assess Current Systems

Evaluate and optimize existing systems to ensure consistency and scalability.

Create a Leadership Development Plan

Develop future leaders who align with your business vision to reduce reliance on you.

An Idea Even the Experts Miss: Emotional Mastery as a Catalyst for Team Growth

One of the most overlooked concepts in leadership is the profound impact of an owner's emotional mastery on their team's performance. While many experts emphasize strategic thinking and systems, they often miss how your emotional state shapes your team's behavior and mindset. When you model resilience, optimism, and clarity, you create an environment where your team feels safe to take risks, innovate, and step into accountability.

Chapter 2 highlighted that emotional regulation isn't just about staying calm under pressure, it's about setting the emotional tone for the entire organization. A leader who reacts impulsively creates a reactive team, while one who approaches challenges with composed confidence inspires trust and collaboration. Emotional mastery isn't just a personal tool; it's a catalyst that empowers your team to embody the same strength and focus, fostering a culture of stability and growth. Visualization and goal setting help ground you for those challenging moments.

What You'll Learn in Chapter 3: Building Systems That Scale

In Chapter 3, we shift focus to the backbone of sustainable growth: scalable systems. You'll discover

how creating efficient, repeatable processes allows your business to operate smoothly without your constant involvement. This chapter explores why systems are crucial for eliminating bottlenecks, improving consistency, and enabling expansion. From implementing Standard Operating Procedures (SOPs) to leveraging automation and developing strong training programs, you'll learn the foundational steps to systematize every aspect of your business. By the end of this chapter, you'll understand how to build scalable processes for customer service, inventory management, and team delegation while maintaining flexibility for continuous improvement

“Systems run the business. People run the systems.”

— *Michael E. Gerber*

“You do not rise to the level of your goals. You fall to the level of your systems.”

— *James Clear*

“Scaling without systems is just chaos at higher speed.”

— *Unknown (but brutally true)*

Chapter 3: Building Systems that Scale

Building a business that operates smoothly without your daily involvement is the ultimate goal for any owner. To achieve this, your business needs a foundation of strong, scalable systems. These systems ensure consistency, efficiency, and reliability across all aspects of your operations, enabling growth without chaos. In this chapter, we'll cover why systems are essential, the types of systems every business should have, and how to create scalable processes that allow your business to expand seamlessly. We'll be changing your business from hand crank to automated.

Why Systems Are Essential for Growth

Without well-defined systems, growth is unsustainable. When everything depends on the owner's involvement, bottlenecks form, tasks fall through the cracks, and employees work reactively rather than proactively. Systems provide the structure that enables the business to operate predictably and independently. They also free you from daily firefighting, allowing you to focus on strategic growth and vision.

An early roadblock to my growth was donations. Yes, giving stuff away was a roadblock to growing. Initially I insisted every donation go through me. We had requests from schools, from community groups, from professional organizations, from the Girl Scouts and every event and fundraiser imaginable. Initially I would weed through these and decide which ones made sense from a community activism and marketing standpoint. When they became overwhelming I just made a rule, we will donate to everybody. Neither approach worked. Me analyzing every single request took hours out of my week. On the other side, me saying yes to everything had us donating the same items to a 10-person fundraiser and 1,000 person gala. Something had to change. My first system was defining who we would donate to and what each tier would get.

After that it was simple to hand it off to the individual store managers. We went from donating thousands of dollars a year to tens of thousands of dollars a year. We helped organizations raise money and our sales increased as well, all without me having to do it.

Creating a Systematic Approach to Every Aspect of Business

Every aspect of your business can benefit from systematization, from customer acquisition to employee onboarding. Rather than addressing issues as they arise, a systematic approach allows you to anticipate and prevent

problems, giving your business a stable foundation. Identify key areas—sales, customer service, inventory, and hiring—and start creating repeatable processes for each.

An early systemization I put in place was employee onboarding. Initially when I was doing the hands-on onboarding, I became so accustomed to it that without hesitation I knew the steps in my head the steps that had to take place, what paperwork had to be filled out, who to introduce them to, what training syllabus to put them on, where to get their uniform and how many to give them, and the follow-up steps to make sure they were successful. When I initially handed off onboarding I didn't give it a thought. My peeps have watched me onboard, I'm sure they knew what to do. I was wrong! Employee turnover started to increase. Determined to find out why, I called several people that left us after a short period of time and asked what happened? Why didn't you stay? Universally I was told the chaos of their first few days left an impression that we didn't know what we were doing, and they didn't want to work in a place where their responsibilities weren't outlined. I then interviewed my managers to see what on-boarding looked like to them and found the prior employees were correct, it was chaos.

After identifying the issue, it was an easy fix. I sat down with the managers and asked them what's important in the on-boarding process. I knew the process, but I knew I had to include them to get their buy-in. That was some false thinking! They added steps and important insights to the

process that made it even better than when I handled it. We then wrote down the process and made sure it was followed. Once we put this in place, employee turnover dropped dramatically. Don't be afraid to just ask what the problem is!

Standard Operating Procedures (SOPs): Your Business Playbook

Standard Operating Procedures (SOPs) are step-by-step instructions for completing tasks consistently and accurately. SOPs are vital because they ensure that everyone follows the same process, which improves quality and efficiency. Documenting SOPs turns your business into a playbook, where team members know exactly how to handle tasks, reducing dependency on any one person—including you.

- **Identify Key Tasks:** Focus on core tasks that impact your business daily.
- **Document Steps Clearly:** Write clear, concise steps that anyone can follow.
- **Update Regularly:** Revise SOPs as processes evolve or improve.

In many cases you don't even have to write out the SOP just record yourself or whoever is good at that task. You don't need any special equipment; your phone has a good enough camera for this or in cases where you're performing a task on a computer use Loom™ or your favorite system/software. Record the task three to five

times and you're sure to have all the variations. Save these recordings to a private YouTube channel or internal server and anyone that needs to perform the task can just take a look and get it done without any input from you or anyone else.

What's the correct cadence for updating SOPs? There isn't one. Your team needs to have the authority to rework them when they stop working. A SOP that works when you're making \$100,000 a year probably won't work when you're making a million dollars a year. Don't fall in love with your SOPs, revise them often. Revisit them as part of your constant and never-ending Improvement program.

Automation as a Key to Scale

Automation is one of the most powerful tools for scalability. Automating repetitive tasks frees up your team's time, reduces errors, and creates consistency. Automation also allows your business to handle more volume without increasing costs. Look for opportunities to automate in areas like customer service, sales follow-ups, billing, and reporting.

- **Start with Repetitive Tasks:** Automate routine, low-skill tasks first to free up your team's time.
- **Leverage Technology:** Use software tools to handle processes like email marketing, invoicing, and scheduling.

- **Monitor Automation Effectiveness:** Regularly assess automated processes to ensure they're delivering the desired outcomes.

Automation doesn't mean robots. It means coming up with processes and tools that speed up repetitive tasks. An early example of this in my business was automating customer complaints. We honestly didn't get that many of them but the ones we did get we rarely followed up on after the initial conversation. This practice did not create the outstanding service that I wanted my business to be known for nor would it lead to raving fans. Therefore, I acknowledged that the situation needed an SOP. Instead we established a process and a little bit of automation. Anytime we received a customer complaint, an email rule, set up remotely in five minutes, sent that complaint to all key people within the company. The SOP for customer complaints dictates the manager in the affected bakery is supposed to contact the customer and make it right. We wanted to go one step further so now that manager copies that email into their calendar and invites key parties to that meeting set at two weeks and four weeks after the initial resolution. When the meeting reminder pops up on the managers (and other key parties) computer they follow up with the customer again and make sure it was still resolved to their satisfaction. At the four week meeting reminder the district manager calls the customer and confirms everything was resolved. In all cases (from first contact to last) the original complaint email is replied all so all key people know that the follow-

up happened and what the resolution was. There's a little bit more to this SOP in automation if the customer wasn't happy after the initial contact, but you get the idea. By using some simple email rules and meeting makers we were able to automate a process that used to constantly fall through the cracks. You could take this a step further with the use of a CRM (Customer Relationship Manager software such as Go High Level™ or Salesforce™.)

Developing a Training System for Consistent Results

A strong training system ensures that every team member, from new hires to experienced employees, has the knowledge and skills needed to perform at a high level. Training should be part of an ongoing development program, not just a one-time on-boarding session. If your franchise doesn't have one, create a structured training program for every role. Ensuring employees are set up for success from day one.

- **Onboarding for New Hires:** Build a detailed onboarding process that introduces new employees to your culture, systems, and SOPs.
- **Continuous Training:** Offer regular training to help employees develop new skills and adapt to updated processes.
- **Skill Assessments:** Periodically assess team members' skills to ensure they're meeting expectations.

The great thing about most franchise systems is they offer the training plan. It's up to you, the franchisee, to make sure it's being used and periodically follow up with the employee for any changes that happened in the training. You also need to make sure they're actually following the processes and procedures laid out in that training. I can tell you from personal experience that 99.9% of any quality issues I've had is when the employee either never received the initial training or deviated from it. I send my managers to regional and national conferences so they stay up to date.

Building Systems for Customer Service Excellence

Customer service is the lifeblood of any business, and a consistent, high-quality experience keeps customers coming back. Build systems that enable your team to deliver excellent service without you constantly overseeing the process. Design processes for handling customer inquiries, complaints, and feedback so that every customer interaction aligns with your brand values.

- **Customer Response Templates:** Create templates for common inquiries to ensure quick, consistent responses.
- **Escalation Protocols:** Define steps for handling complaints and when to escalate issues to higher levels.
- **Customer Feedback Loops:** Systematize the process of gathering and analyzing customer feedback to improve your service continuously.

An example of this is how my team is taught to deal with a customer issues. An abbreviated summary is: Step 1 Fix it on the spot themselves. I give team members wide latitude to do this. Step 2 If customers cannot be made happy get manager immediately and manager **MUST** fix it. Step 3 Follow up with the customer at a later date to make sure they are still satisfied.

Inventory and Supply Chain Management

For product-based businesses, inventory management can make or break your ability to scale. A reliable inventory system prevents stockouts, reduces waste, and ensures that you can meet demand without overstocking. Use technology to track inventory in real-time and establish reorder points to avoid running out of essential products.

- **Set Reorder Points: Establish minimum stock levels for each product to trigger reorders automatically.**
- **Regular Audits:** Conduct routine inventory checks to catch discrepancies early.
- **Streamlined Supplier Relationships:** Build reliable supplier partnerships and have contingency plans for critical supplies.

If you're not in a place yet where having a technology driven solution makes sense, at least have a spreadsheet printed out and laminated that identifies par levels and allows you to write actual levels in with erasable marker.

Be sure to revisit your par levels at least quarterly as your business grows and changes seasonally. More of some item and less of another may be required. Inventory on the shelf that is not turning over isn't making you any money it's just eating up capital investment. Keeping the right amount of stock, balancing inventory with sales is a great indicator that you are ready to grow.

Documenting Everything: Creating a Scalable Knowledge Base

A scalable business depends on accessible, comprehensive documentation. If done mindfully this knowledge creates a knowledge base serves as a resource for team members to find answers without having to ask someone. This includes SOPs, training materials, process flowcharts, and company guidelines.

- **Centralized Storage:** Use a cloud-based platform for easy access to all documentation.
- **Version Control:** Update documents as systems evolve to ensure accuracy.
- **Employee Access and Training:** Train employees to use the knowledge base as their first point of reference.

Your cloud-based storage can be as simple as using Google Drive or Microsoft OneDrive. As you grow there are other more professional options. Whatever system you use be sure you have a process to back it up. Lost data is lost profit!

I learned about Version Control back in my engineering days. We had one person in our Engineering Group who would pull a drawing and make changes, but did not note the revisions on the drawing. This bit us in the butt when we received a large, expensive order of machine parts that didn't fit. We went to the manufacturer with the correct drawing. On the surface the drawings were the same. They had the same release dates and revision levels listed. We asked the manufacturer what went wrong? Until we went dimension by dimension the drawings appeared identical. Once the issue was found, the manufacturer could then produce the parts to the correct drawing provided to them. The wrong drawing was not what we needed. We had to throw out all the wrong parts and pay to have them made again. This mistake cost us hundreds of thousands of dollars.

Little mistakes in version level in our franchises can add up to hundreds of thousands of dollars as well. For example, product life, if we do not throw product away when it's expired and it makes it into the finished product, it could cost us hundreds of thousands of dollars in faulty product or worse, sick customers and reputation damage.

Streamlined Communication Systems

Effective communication is essential in any business, but it becomes even more critical as you scale. A systematized approach to communication keeps everyone aligned, reduces misunderstandings, and ensures that information flows smoothly across departments.

- **Meeting Cadences:** Establish a regular schedule for team meetings, including daily check-ins, weekly reviews, and monthly strategy sessions.
- **Internal Communication Tools:** Use platforms like Slack, Microsoft Teams, or a text thread for centralized communication.
- **Feedback Channels:** Provide employees with a clear process for submitting feedback and ideas, ensuring two-way communication.

Communication is hard! It's hard at home, it's hard in a relationship and, it's hard at work. But working on great communication is worth it. It reduces friction internally and externally. It makes for a more productive, more profitable workplace. Even the simplest communication misunderstanding could have expensive consequences.

A recent example was an SOP for cleaning the employee bathroom. A line on the SOP said turn off water. For many of us that would mean turning off the faucet. However, the employee executing the SOP turned off the under-sink water valves. The next day employees went to

wash their hands after using the bathroom and found out they didn't have any water. A plumber was called, and the valves were turned back on. We all got a good chuckle out of it, but it cost a few hundred dollars in plumbers fees and a few thousand dollars in lost production. Perhaps the line should have read 'turn off the water at the faucet'. Of course, no matter how clear you make it and how many revisions you have they'll always be someone that finds a way to misinterpret it. That's okay, it's just an opportunity to make it better.

Delegation Systems for Empowered Teams

Delegation is a powerful tool for empowering your team and scaling your business, but it requires a systematic approach. Delegation systems provide a clear structure for assigning responsibilities, setting expectations, and monitoring results. Create processes that allow team members to take ownership of tasks, report progress, and ask for help when needed.

- **Role Clarity:** Clearly define each team member's responsibilities.
- **Delegation Checklists:** Use checklists to ensure tasks are delegated consistently.
- **Accountability Mechanisms:** Set up systems for tracking delegated tasks to ensure accountability.

Do not perform the DnD method of delegation that is Delegate ‘n Disappear. Delegation is really a partnership where you're asking someone to help you with an item. You're multiplying your reach. If you just drop it in their laps and walk away you'll often not be happy with the results. It either will not get done at all, done in a way that you don't approve of or, won't be done timely. By having clear initial instructions paired with set check-ins and deadlines, the results will often be outstanding. Dan Martell has an expression “ 80% done is 100% freaking awesome”. I couldn't agree more!

Testing and Refining Systems for Scalability

Building systems is only the first step; you must also test and refine them as your business grows. Regularly assess the effectiveness of each system and make adjustments as needed. Scalability is about flexibility—your systems should be adaptable enough to handle increased demand without breaking down.

- **Pilot Programs:** Test new systems on a small scale before rolling them out company-wide.
- **Feedback-Driven Adjustments:** Gather input from employees to improve system efficiency.
- **Adaptation for Growth:** Ensure your systems can handle a larger team, more customers, or increased complexity without a loss in quality.

The systems we build often happen organically and they take care of a problem facing us in the moment. They are rarely built intentionally. Even the ones that are built intentionally only work up to a certain point. A system or process put in place to move 100 units likely will not be the same system or process that will work to move 10,000 units.

Don't fall in love with your systems and processes. We often wake up, stand in the shower and have an amazing idea. We take that idea to work and roll out a brand new process. More times than not that process won't work properly. To avoid company-wide pain, roll it out in a small area first, get feedback from those using it and make changes. If it still doesn't work, don't keep doing Plan A harder. Yes, it was a great idea. Yes, it was your idea. Ditch the idea that's not working and try something else. I'll elaborate on this more in Chapter 4.

Action Areas

Define Core Processes

Identify critical areas of your business, such as sales, customer service, and onboarding, and create structured systems for consistency.

Document Standard Operating Procedures (SOPs)

Write clear, step-by-step instructions or record tasks to ensure everyone can follow processes accurately without direct supervision.

Implement Automation Tools

Use software or simple tech solutions to streamline repetitive tasks like scheduling, billing, or customer feedback management.

Create a Scalable Knowledge Base

Centralize all documentation, including SOPs and training materials, in a cloud-based platform for easy team access.

Test and Refine Systems Regularly

Pilot new systems on a small scale, gather feedback, and make adjustments to ensure they work effectively as your business grows.

An Idea Even the Experts Miss: Building Flexibility into Systems

While systems are essential for consistency, the most effective systems are designed with flexibility in mind. A rigid system can quickly become outdated or ineffective as your business grows or changes. Include a feedback loop within each system to allow team members to suggest improvements. This ensures that your systems evolve with your business, maintaining efficiency and relevance. Flexibility in systems allows you to pivot when needed, respond to changing market conditions, and foster a culture of continuous improvement among your team.

What You'll Learn in Chapter 4: Developing Leadership in Your Team

In Chapter 4, we'll shift focus to cultivating leadership within your team—a critical step in building a self-sustaining business. You'll discover how to identify leadership potential, create development pathways, and empower your team to take ownership of their roles. This chapter will teach you the art of effective delegation, fostering a problem-solving mindset, and encouraging accountability. By implementing strategies for mentorship, decision-making training, and resilience building, you'll shape a culture of innovation and responsibility. The goal? To transform your team into a network of leaders who not only keep the business running but also drive it toward greater success

“A leader is best when people barely know he exists... When the work is done, the aim fulfilled, they will say: we did it ourselves.”

— *Lao Tzu*

“Before you are a leader, success is all about growing yourself. When you become a leader, success is all about growing others.”

— *Jack Welch*

“You can tell a leader by the number of leaders they create, not the number of followers they collect.”

— *Mike DeJong*

Chapter 4: Developing Leadership in Your Team

For a business to truly thrive independently of its owner, it needs a team of strong, capable leaders. Developing leadership in your team doesn't just empower your business to run smoothly, it also creates a culture of accountability, innovation, and commitment to the company's vision.

When your team members think like leaders, they don't just complete tasks; they take ownership, make decisions, and drive progress. This chapter dives into the strategies to cultivate leadership, from mindset shifts to practical delegation frameworks and nurturing a culture of excellence.

Why Developing Leaders Is Essential for Business Freedom

As an owner, your goal is to build a business that can operate without you. A self-sustaining business requires a team of people who think, act, and innovate like leaders. They don't need to think like you/the owner, they need to think like the leaders and innovators that can independently problem solve. This doesn't mean everyone needs to be a manager; rather, each person needs to fully own their role. Leadership development within your team allows you to step away confidently, knowing that your business will not only function but thrive in your absence.

The vacation story I told in Chapter 1 emphasizes how important leadership is. At the time I went to Mexico I thought I had strong leadership in place. I didn't. I had weak managers. In this chapter I'll go over some of the techniques and processes I use to identify and build great leaders.

Identifying Leadership Potential: What to Look For

Not everyone has natural leadership abilities, but leadership potential can often be nurtured. Spotting high-potential team members early allows you to invest in their growth. Look for qualities like initiative, resilience, communication skills, and the ability to problem-solve. Team members who consistently go above and beyond, seek solutions independently, and embrace challenges are prime candidates for leadership development.

Even after identifying a great leader they may not want to step into a leadership role. My favorite example of this is my baker that eventually became my district manager. That's right, someone I brought in to do the repetitive task of baking day in and day out eventually moved up the ranks to become the district manager over multiple stores. Kay showed leadership potential from the first day. She was self-motivated and was always committed to getting things done. Nevertheless she had no interest in becoming a leader...again....she left that behind in her past jobs. So how did I get her to change? Conversations over time,

listening, small changes in her responsibilities. Until one day a manager left and in a conversation with her I conveyed I didn't want another manager, I wanted a leader. Without even asking that time she said I'll be that leader.

Creating a Leadership Development Pathway

Once you identify team members with leadership potential, create a clear pathway for their development. Leadership isn't something you simply step into; it's a skillset built over time. Develop a program or pathway that includes both technical training and soft skills development, so your team members grow into well-rounded leaders.

- **Structured Training:** Offer workshops or courses on leadership skills such as communication, time management, and decision-making.
- **Mentorship Programs:** Pair emerging leaders with experienced mentors within or outside the organization to accelerate their growth.
- **Job Rotation:** Allow team members to experience different roles to gain a comprehensive understanding of the business.

Tailor what you're teaching them to what you eventually want them to do. If you're going to have someone run

your back of house it's probably not necessary to spend weeks turning them into a marketing guru. Conversely, your marketing guru probably doesn't have to know how to bake a cake. However, there are some universal leadership traits and skills that must be taught and/or nurtured. The traits are: integrity, empathy, vision, decisiveness, adaptability, communication, accountability, humility, inspiration and empowerment. The skills include strategic thinking, emotional intelligence, conflict resolution, decision making, delegation, communication, problem solving, team building, time management and mentor/coaching.

The Art of Delegation: Empowering Leaders Through Responsibility

Delegation is a crucial skill in leadership development. Effective delegation goes beyond assigning tasks; it's about giving team members the responsibility and authority to make decisions and own their outcomes. This type of empowerment fosters confidence and accountability.

- **Delegate Authority, Not Just Tasks:** When you delegate, make it clear that the individual has the freedom to make decisions within their scope.
- **Set Clear Expectations:** Provide guidance on what success looks like, but avoid micromanaging the process.

- **Offer Constructive Feedback:** Regularly review outcomes, providing feedback that helps team members learn and grow.

Delegating authority is scary it doesn't always go to plan and you can be surprised by the results. It was 5 years after opening my business and I decided it was time for me to 100% delegate our events marketing. I promoted someone from within that had a marketing background, had been doing events already and had a good understanding of our products ,values ,and culture. The instructions I gave her were to increase our events cadence by at least 50% over the next 12 months. I gave her authority to decide what events we'd go to and which ones we pass on, and then I moved on to other tasks.

What I didn't do was set clear expectations and boundaries, have any structure for providing meaningful feedback or have a regular meeting schedule. You can guess what happened. Our events' cadence increased dramatically. We more than doubled the events we went to; however, this caused many downstream problems. We needed more product which meant we needed more production. The foretasted amount of additional production for the added events was often miscalculated, resulting in the loss of our perishable products. No clear budget was defined for an event so I ended up spending \$5,000 for an event that would bring us \$500.

Initially I was happy because our gross sales were way up. I could not understand why my main bakery staff was so unhappy with the events all the time. I finally stopped poo pooing what they were saying and dug into the reasons why. By not setting clear expectations and not having scheduled time to offer constructive feedback this person was setup to fail. Like I referenced in Chapter 2, listening is very important!

Encouraging a Problem-Solving Mindset

Leaders aren't defined by their ability to complete tasks but by their ability to solve problems. To develop leaders, cultivate a problem-solving mindset within your team. Encourage them to seek solutions before bringing issues to you, and recognize and reward proactive problem-solving.

- **Implement a “Solution First” Policy:** When employees bring a problem, ask them to suggest three potential solutions as well.
- **Create Problem-Solving Frameworks:** Teach simple frameworks, like root cause analysis or the “5 Whys,” to help team members analyze issues.
- **Celebrate Initiative:** Recognize team members who demonstrate proactive problem-solving, reinforcing its value in your culture. Know how that looks for that employee.

It's not enough for your team to come up with one solution. Ask them to come with at least three. Then get them to recommend their favorite of the three and defend

why against the other two. This gets some critical thinking skills going and takes blinders off to only having a single solution.

Building Confidence Through Incremental Wins

Leadership requires confidence, and confidence builds with incremental wins. Provide emerging leaders with manageable challenges that allow them to succeed, learn, and grow over time. As they experience success in small steps, their confidence will grow, preparing them to handle more significant responsibilities.

- **Start Small:** Begin by delegating smaller tasks, gradually increasing responsibility as their confidence grows.
- **Provide Immediate Feedback:** After each task or project, offer feedback to reinforce successes and identify areas for improvement.
- **Recognize Progress:** Acknowledge their achievements publicly to boost morale and encourage further growth.

Let me tell you about Corey. This young lady was afraid of her own shadow but was bright, intuitive.

Hardworking, in short, had many leadership qualities I was looking for. Over a period of years, myself and my managers gave her small tasks building on one she prior completed successfully. At the end of each task, we

celebrate with a simple good job, sometimes a monetary reward, sometimes one of her favorite comic books or drawing utensils. I can tell you that young lady now runs the entire back of house at one of my bakeries and I couldn't be prouder of her.

Training in Decision-Making and Risk Management

Decision-making is a cornerstone of effective leadership. Many employees are used to taking directions rather than making decisions, so teaching decision-making skills is crucial. Train your team on how to assess risk, weigh options, and make informed choices. Empower them to make decisions within their scope and provide support as they learn.

- **Introduce a Decision-Making Framework:** Teach simple frameworks like pros-and-cons lists, OOCMR (Thanks Tony Robbins) or risk analysis for making thoughtful decisions.
- **Encourage Controlled Risk-Taking:** Allow team members to make decisions in low- risk situations to build confidence and learn from experience.
- **Review and Reflect on Outcomes:** After decisions are made, hold debrief sessions to discuss what went well and what could improve.

Remind yourself that they're learning. They will make mistakes. Getting angry and upset with them will not encourage them to make better decisions in the future.

Sitting down and assessing how they determined the risk versus the actual outcome will help them understand how to make better decisions going forward

Promoting a Culture of Accountability

Accountability is the backbone of any high-performing team. Encourage each team member to take ownership of their role, goals, and outcomes. When accountability is deeply ingrained in your business culture, everyone feels responsible for the business's success, and problems are solved quickly and efficiently.

- **Set Clear Expectations:** Each team member should have a clear understanding of their responsibilities and goals.
- **Hold Regular Accountability Meetings:** Schedule regular one-on-one or team meetings to review progress and address challenges.
- **Model Accountability as a Leader:** Demonstrate accountability in your actions, showing your team the importance of owning both successes and failures. Don't just tell them, show them.

It's my strong belief that I can't hold anyone accountable. Each team member must hold themselves accountable.

Keith Cunningham has a great example about accountability. His mom gave him his teeth at age eight. She no longer asked him to brush them every day. They were his responsibility. If he wanted to keep them, he needed to brush them.

Your team members know the required outcome (Assuming you followed the steps to creating strong leaders outlined in this chapter) and if they consistently fail to get there, ultimately that's on them. That's not to say I don't offer any help along the way, because I do.

If you have a team member that doesn't hold themselves accountable you have a team member that is not and will likely never be a true leader.

Fostering Open Communication and Transparency

Strong leaders communicate openly and transparently with their teams. They keep people informed, listen to concerns, and create an environment where feedback flows freely. Encourage open communication in your organization to build trust and foster collaboration.

- **Create Open Channels for Feedback:** Regularly solicit feedback from team members on their roles, the business, and your leadership.
- **Be Transparent in Decision-Making:** Explain the “why” behind business decisions, so your team understands the bigger picture.

- **Encourage Open Dialogue:** Foster an environment where team members feel comfortable expressing ideas and voicing concerns.

If you bark at someone or fail to listen to a concern you can be certain that person will never belting anything to you again. Instead problems will fester and improvements won't be made.

Encouraging Innovation and Ownership

An empowered leader is more than just an effective manager; they are an innovator who actively contributes to the business's growth. Encourage your team members to think creatively and take ownership of their ideas. Give them the space to innovate and experiment within their roles.

- **Reward Innovation: Recognize and reward team members who contribute innovative ideas or solutions.**
- **Create “Innovation Time”:** Allow team members time to explore new ideas and improvements without the pressure of regular duties.
- **Involve the Team in Strategic Planning:** Invite your team to participate in discussions about future business directions, so they feel invested in the outcomes.

Innovation doesn't have to be coming up with a whole new product or a whole new manufacturing process. It can be as small as a subtle change in the order of operations of how a product is made or in staff scheduling. The small Innovations add up over time to huge profitability increases.

Mentorship as a Continuous Development Tool

Mentorship is a powerful tool for leadership development. Establish mentorship relationships within your business to help emerging leaders learn from more experienced team members or external mentors. Mentors provide guidance, advice, and support, accelerating the leadership development process.

- **Establish Mentor-Mentee Pairs:** Match experienced leaders with emerging ones to provide personalized support.
- **Encourage Regular Mentorship Check-Ins:** Schedule regular meetings for mentors and mentees to discuss goals, challenges, and progress.
- **Encourage Reverse Mentorship:** Allow mentees to provide feedback or share insights with their mentors, fostering mutual growth.

Depending on the size of your franchise it may be difficult to establish mentor mentee pairs without you becoming the mentor. Initially this is okay. Spending the time

mentoring your leaders will pay huge benefits and dividends in the future. However, if you don't feel you're a strong mentor, look within your franchise system. Can a strong leader in another unit mentor your up-and-coming leader?

A formal mentor/mentee relationship is ideal, although informal ones also work quite well. I take my leaders to Regional and National franchise meetings where I encourage them to meet people working in similar roles. They then have this group they can call on whenever they have an issue.

Building Resilience in Emerging Leaders

Leadership comes with challenges, and resilience is the ability to persist and bounce back from setbacks. Cultivating resilience within your team prepares them to handle adversity with strength and grace. Teach resilience as a skill, emphasizing that setbacks are learning opportunities, not failures.

- **Create a Safe Environment for Failure:** Frame failures as learning experiences to reduce fear and encourage calculated risk-taking.
- **Practice Growth Mindset Language:** Emphasize resilience by focusing on improvement rather than mistakes.

- **Encourage Reflection on Challenges:** After facing a challenge, guide team members in reflecting on what they learned and how they can improve.

My team has never seen me angry or upset after a failure. They've even asked, aren't you mad? Instead of getting upset I always use failures as a learning tool. I either win or I learn.

The language I use around failure with my team is very important in setting up a safe environment for them to fail. For example, I'm constantly telling them to fail faster. I don't want them hanging on to an idea that's not working just because it was their idea. Failing faster equals faster optimization. I want to know what went wrong and why we failed or how else can we learn and not continue to make the same mistakes.

At the beginning of most meetings we start with recognition. Our second agenda item always outlines where we failed and what we learned from it. Failure is always an option, but it's just that, an option, not the final answer.

Using Leadership Development to Shape Company Culture

Leadership development doesn't just transform individuals; it shapes company culture. A team that values leadership is collaborative, resilient, and motivated. Embedding leadership development in your

culture encourages every team member to think and act with a sense of responsibility and ownership.

- **Celebrate Leadership Behaviors:** Publicly recognize team members who demonstrate leadership qualities. There are a few exceptions to this.
- **Reinforce Values Aligned with Leadership:** Embed values like accountability, innovation, and continuous learning in your culture.
- **Encourage Peer-to-Peer Recognition:** Allow team members to recognize each other's leadership efforts, building a positive and supportive culture.

We are constantly recognizing each other. To further bring you into the culture that I created within my companies, we don't only start each meeting with recognition, but I have also provided access to white boards so they can do it in the time between meetings, when they think of something to share. We also have our scheduling app where we have various threads for each department, each store and for the entire company that people post on and recognize each other. A culture of recognition reinforces and builds strong leadership

.Action Areas

Spot Leadership Potential

Identify team members with initiative, resilience, and problem-solving skills, and engage them in conversations about their potential to lead.

Create a Leadership Development Path

Develop structured pathways for leadership growth, including training, mentorship programs, and cross-role exposure.

Delegate with Authority

Assign responsibilities with clear decision-making power, set expectations, and provide feedback regularly to build confidence.

Promote Problem-Solving

Implement a "solution-first" policy, encouraging team members to present multiple solutions for challenges they encounter.

Foster Resilience

Establish a culture where failures are reframed as learning opportunities and encourage reflection on challenges to build confidence and adaptability.

An Idea Even the Experts Miss: Leadership as Cultural Architects

Many leaders focus on driving results, but exceptional leaders shape the culture of their teams. Culture-building leaders create an environment where values like integrity, empathy, and collaboration thrive. By emphasizing

emotional intelligence and celebrating peer-to-peer recognition, they cultivate an engaged, resilient team that not only meets goals but exceeds them. Leadership development isn't just about skill-building—it's about crafting a workplace culture that inspires ownership, innovation, and long-term growth.

What You Will Learn in Chapter 5 Mastering: Metrics and Financial Oversight for Strategic Growth

In this chapter, you'll discover the critical metrics that every business owner must track to ensure growth, profitability, and stability. You'll learn the difference between operator and owner-level KPIs, how to leverage cash flow forecasting, and the importance of understanding both profits and cash flow. We'll explore essential financial, operational, and customer-centric metrics, and show you how to use them to predict growth, set realistic goals, and make informed, data-driven decisions. This chapter will equip you with the tools and mindset needed to transition from daily firefighting to strategic leadership.

“Clarity is power.”
— *Tony Robbins*

“Without data, you’re just another
person with an opinion.”
— *W. Edwards Deming*

“Math is the enemy of bullshit.”
— *David Leiter*

Chapter 5 Mastering: Metrics and Financial Oversight for Strategic Growth

In your journey from operator to owner, there's one key skill that will give you control, clarity, and confidence; understanding your business's metrics. To lead a business successfully, you must know how to measure what matters. Key Performance Indicators (KPIs) allow you to take the pulse of your business without getting lost in daily tasks. The right KPIs let you zoom out, see the big picture, and make informed decisions that drive growth, efficiency, and profitability. This chapter will transform your approach to tracking success by showing you the metrics that matter and how to leverage them for long-term growth.

In my journey from operator to owner there were a few times that having a better understanding of my KPIs could have saved me a lot of stress and money. A moment that still sticks out in my mind happened about two years into franchise ownership. I was finally finding my groove and for the first time I had six figures in the bank. I felt I could breathe and I felt I needed a reward for all of my hard work, the long days, long nights, and no weekends. It was time to buy something as a reward for all that time and energy that was put in. Isn't one of

the reasons we go into business for ourselves is so we can enjoy the finer things in life? The finer thing for me was a Fiat Spider 126 two seat convertible.

I reasoned that it wasn't a Porsche, it's not like I was being extravagant, and after all, I earned it! What I didn't fully comprehend at that time was cash flow over a time period. I may have had

\$100,000 in the bank and was bringing in \$25,000 plus a week but if I would have looked out 6 to 8 weeks I would have known I had \$250,000 worth of bills coming due, including payroll.

How did this happen? Anyone that's ever balanced a checkbook knows you have to look ahead. I was looking ahead, just not far enough. In the coming weeks I had to scramble to make payroll!

At the end of this little test I had large credit card debt, pennies in the bank and double the gray hairs on my head. I learn lessons best in the School of Hard Knocks and this was a large tuition payment made to that school. To fix it I began doing cash flow forecasting going out 8 weeks minimum, based on the prior 6 months expenses and revenues and looking historically to prior years for any forecastable large swings. I can't say I never had a tight week since then. But I can say I always knew that tight week was coming and could be planned for by moving payments around.

Why Measurement is Essential for an Owner's Mindset

Operators get bogged down in endless tasks and quick fixes, but owners focus on high-impact metrics that reveal the health and direction of the business. Without measurable indicators, you're managing blind. KPIs give you clear data to assess where you are, identify potential issues, and adjust course as needed. KPIs allow you to step back from the day-to-day grind, giving you a data-driven foundation for strategic planning and effective delegation.

By not tracking the correct KPI's you're flying blind. As an experienced commercial pilot who has had situations where many of my instruments failed in poor weather conditions, I can tell you the feeling of not knowing where you are in your business is almost as terrifying as being at the controls of an aircraft with faulty instruments. On an aircraft, we always have at least one and often two or more redundant ways of getting the same information. In a business, we also have overlapping KPI's. We may miss an indicator on one but if we have the correct KPI's in place we'll catch it on the second saving us from certain death.

Kip Knight, President of H&R Block at the time I worked there continually said, "That which gets measured, gets done". Truer words have never been spoken.

Owner-Level KPIs vs. Operator KPIs

Not all metrics are created equal, and the KPIs that matter to an owner differ from those relevant to an operator.

Owners focus on metrics that reveal the business's overall health, scalability, and profitability. These might include profit margins, customer acquisition costs, or customer lifetime value—big-picture indicators. In contrast, operators focus on tactical metrics, like task completion rates or daily sales. The key difference is perspective: operator KPIs measure output, while owner KPIs measure growth potential and sustainable success.

As I grew with business I started adding more and more KPI's. I had spreadsheet upon spreadsheet tracking everything. In reality I was tracking nothing. Since moving from an operator to an owner mindset, I track just a few KPIs that tell me the health of my business. In my bakeries these are customer likelihood to return and likelihood to recommend, sales per labor hour, cost of goods sold and cashflow forecast. Are there other things I look at? Yes, when I'm meeting with my operators as they have their own set of KPIs

When setting up KPIs make sure your systems are optimized to have the relevant data pushed to you. You should not have to go looking for it. I have had many conversations with my managers/operators have asked why they have to compile certain data and send it in a report to me. The correct answer is never because I'm the boss. The correct answer is my time is spent building the

business. I pay you to run the business and part of running it is providing me the information I need in a format that works for me to do my job.

Essential KPIs for Franchise Businesses

While KPIs will vary based on your business type, a few essential metrics apply universally across franchise models. Focus on the following:

- **Revenue per Employee:** This metric measures productivity and efficiency in staffing and can help you make informed hiring and operational decisions. Another way to look at this one is Sales per Labor Hour.
- **Customer Retention Rate:** Loyal customers are the backbone of long-term success. Track retention to gauge satisfaction and loyalty.
- **Gross Profit Margin:** This metric measures profitability by showing the percentage of revenue remaining after direct costs. It's essential for assessing the business's ability to generate profit.

As I mentioned earlier in the chapter, one of the things I track is sales per labor hour, a method of tracking Revenue Per Employee. Why do I find this KPI so valuable? It helps me compare apples to apples across my various businesses. Labor is my primary expense as it is in most franchises. By tracking the efficiency of your team in making sales you have a good idea if your staffing is correct. Of course you also have to correlate

with Customer Likelihood to Recommend and Likelihood to Return. If those start to slip you may need to increase employees to keep them where they need to be.. Prior to tracking this closely my labor was consistently creeping up and up to the point where it doubled in a 6-month period putting me 30 days from bankruptcy.

Financial Metrics for Profitability

An owner's focus should be profitability, not just revenue. Financial KPIs allow you to monitor the bottom line, assess cash flow, and ensure your business remains financially healthy. It's not what you make, it's what you keep that matters. Some critical financial KPIs to track include:

- **Gross and Net Profit Margin:** Gross profit margin reveals the profitability of your core operations, while net profit margin shows overall profitability after expenses. But profit isn't cashflow. You can only spend cash and not profits.
- **Customer Acquisition Cost (CAC):** This metric tells you how much it costs to acquire a new customer, allowing you to balance marketing investment with profitability.
- **Lifetime Value (LTV):** Calculates the expected revenue from a customer over their entire relationship with your business, helping you optimize your marketing and retention efforts.

For years I was obsessed with Topline growth, figuring it would take care of all ills. For a long time it did, right up until it didn't. I was obsessed with grassroots marketing. My team and myself attended five to 15 events a week outside of our store. We brought products to the people so they could try us. My off-site sales were over \$300,000 dollars a year! A real bonus to the Topline.

When I finally took a breath and analyzed the profitability of these events, I found out that \$300,000 a year was costing me \$400,000! Not only was it not profitable, I would have kept an additional \$100,00 if I stayed home. My team now analyzes each event's profitability instead blindly going to all events. Therefore, maximizing our cost benefit ratio

Profits vs Cash Flow - What Do They Mean?

The distinction between **profits** and **cash flow** is crucial for understanding the financial health of a business.

While both terms relate to money, they measure different aspects of a company's finances and can provide contrasting insights into its operations.

Profits

Definition: Profit, also known as net income, is the financial gain a business achieves when its revenues exceed its expenses during a specific period.

Key Points:

- **Formula:** Profit = Total Revenue - Total Expenses
- **Focus:** Profit is an accounting measure that shows the overall financial performance of the business.
- **Gross Profit:** Revenue minus the cost of goods sold (COGS), showing the profitability of core operations.
- **Operating Profit:** Gross profit minus operating expenses (e.g., rent, salaries, utilities), reflecting operational efficiency.
- **Net Profit:** Operating profit minus taxes, interest, and other non-operating costs. This is the "bottom line."
- **Example:** If a business earns \$100,000 in revenue and incurs \$70,000 in total expenses, its profit is \$30,000.

Limitations:

- Profit doesn't account for the timing of when money is received or paid out.
- High profits on paper doesn't necessarily mean the business has enough cash on hand to cover its obligations.

Cash Flow

Definition: Cash flow represents the net amount of cash and cash equivalents moving in and out of a business over a given period.

Key Points:

- **Types of Cash Flow:**
- **Operating Cash Flow:** Cash generated from day-to-day business operations
- **Investing Cash Flow:** Cash related to buying or selling assets, such as equipment or real estate.
- **Financing Cash Flow:** Cash from activities like borrowing, repaying loans, or issuing stock.
- **Focus:** Cash flow tracks the actual movement of money, showing the liquidity and ability to meet short-term obligations.
- **Example:** If a business earns \$100,000 in sales but only collects \$50,000 in payments during a period, the cash flow is \$50,000.

Importance:

- Positive cash flow ensures the business can pay bills, salaries, and suppliers.
- Negative cash flow, even with profits, can lead to liquidity crises, such as being unable to meet payroll. You can't buy dinner with profits only cash.....Don't believe me? Try it at your local restaurant sometime. Ask the server if you can pay with paper profits instead of actual cash.

Key Differences

Aspect	Profit	Cash Flow
Definition	Accounting measure of earnings	Actual money in and out of business
Timing	Includes non-cash items (e.g., depreciation)	Reflects real-time financial health
Focus	Profitability	Liquidity
Relevance	Long-term success indicator	Short-term operational indicator

Example Scenario

A business sells \$50,000 worth of products on credit in a month:

- **Profit:** The revenue is \$50,000, minus \$30,000 in expenses, leaving a \$20,000 profit.
- **Cash Flow:** If only \$10,000 of that \$50,000 is collected during the month, the cash flow is \$10,000, even though the profit is \$20,000.

Why the Difference Matters

- A business can be **profitable but have negative cash flow**, leading to cash shortages and potential failure.
- Conversely, a business with positive cash flow but no profits may be unsustainable in the long term.

Understanding both profits and cash flow is essential for making informed financial decisions, ensuring liquidity, and planning for sustainable growth.

Operational Efficiency KPIs

Operational KPIs are essential for ensuring that your business runs smoothly and productively. These metrics measure the internal efficiency of your processes and the effectiveness of your team. Common operational KPIs include:

- **Employee Turnover Rate:** High turnover is a warning sign of potential issues with culture, management, or workload.
- **Inventory Turnover Rate:** This measures how often inventory is sold and replaced, providing insights into product demand and supply chain efficiency. Inventory sitting on a shelf is not making you money, its draining capital.
- **Speed of Service:** Especially crucial in franchise models, this metric tracks how quickly you deliver your product or service, impacting customer satisfaction and profitability.

Customer-Centric Metrics

Customer satisfaction and loyalty are key to building a sustainable, profitable business. Customer-centric KPIs show how well you're meeting their needs and whether they're likely to stay loyal. Metrics to consider:

- **Net Promoter Score (NPS):** Measures customer willingness to recommend your business. A high NPS indicates strong customer satisfaction and loyalty.

- **Customer Satisfaction Score (CSAT):** Tracks immediate satisfaction with your product or service and highlights areas for improvement.
- **Churn Rate:** The rate at which customers leave your business. Reducing churn should be a top priority for sustaining growth.

For years the only customer score I looked at was the overall satisfaction. I didn't delve deeper into the surveys they filled out telling me they're likelihood to recommend, they're likelihood to return, how they were greeted, how they were treated, what they thought of our inventory, how clean the store was, or how well they were treated.

I noticed a dip in sales a few years in and initially couldn't understand why, as our customer satisfaction score was still in the top 25% of the entire system. Then I dug deeper into the reports and found out our customers were dissatisfied with our product selection and with their checkout experience. Overall, they may have been satisfied, but the smaller issues were causing them to not return or at least reduce their frequency. By digging deeper into the overall reporting, I was able to find the metrics that mattered, make changes, and bring customers back in the door. With my team, I constantly tell them I don't want more customers, I want to turn current customers into raving fans!

Benchmarking for Franchisees

Franchise businesses have a unique advantage: the ability to benchmark against other franchisees within the same brand. Benchmarking allows you to compare your KPIs with industry standards or peers, helping you spot areas for improvement. Use franchise network data to understand where you stand and identify best practices from top-performing franchises.

One of my favorite things to do is to look where my units stack up against others in the system. I love to both find my wins and also identify where I can make improvements. I use this data to find out who's doing better than me in a key area so I can reach out to them and ask for advice. Most people love to talk about what they're exceeding at so if you want to win, find the winners and copy them.

Setting Realistic Targets

Once you've identified your KPIs, it's essential to set realistic targets. Ambitious yet achievable goals give your team direction and motivation. When setting targets, consider your current baseline, growth goals, and any unique challenges in your market. Setting the right targets can drive performance without overwhelming your team. But keep in mind A Navy Seal Jay Morrison once remarked "If you hit the Bullseye every time you're going to slow"

Because the first few years of franchise ownership I had double-digit growth I assumed I would have this forever and for this reason, always set very aggressive sales goals. The problem was, even with double-digit growth, I wasn't hitting them and my team stopped believing that we could. With a high performing business owner mindset, getting close to a big target was better than hitting a small one. However, to someone with an operator mindset having an achievable goal was the key to keeping morale high on a day-to-day basis.

A couple years ago I changed tactics. I set a realistic target and then I asked everyone if they could find me \$100 a day. That \$100 a day could be an increase in sales or in savings. Yes, I know the savings flow quicker to the bottom line than the sales do, but it was easier to explain to people I needed \$100 a day. I then asked them to report what they found and if it was repeatable.

\$100 a day doesn't seem like much, but if each person on my team got \$100 a day and we had an average of five people working that was over \$180,000 in a year. Some to the topline and some directly to the bottom line but in any case, a significant improvement. \$100 a day was an achievable goal for everybody, and profits increased. After all, it's not what you make, it's what you keep.

Frequency of Review

A big part of transitioning to an owner's mindset is knowing when to review KPIs.

Over-monitoring can lead to micromanagement, while neglecting review schedules can leave issues unnoticed. Establish a structured review cadence—daily for key operation metrics, weekly for team and operational performance, and monthly for financial health. This rhythm keeps you informed without creating information overload.

Think of setting a weight loss goal on January 1st and not checking again until the next January 1st. How do you think you would have done against that goal? By setting the right frequency of review you may have a bad day or a bad week but you won't have a bad month and never a bad year.

Using KPIs to Predict Growth

KPIs aren't just retrospective; they're predictive. By examining trends and relationships between KPIs, you can anticipate future performance and make proactive adjustments. For example, if you see customer acquisition costs rising, it may indicate that you need to refine your marketing or increase retention efforts. By reading these signs early, you can adapt to changes before they become problems.

Using Data for Strategic Decision-Making

Data is the lifeblood of informed decision-making, turning guesswork into actionable insights. In a world where businesses generate massive amounts of information, the ability to harness and interpret this data can mean the difference between thriving and stagnating. For entrepreneurs, especially those transitioning from operator to owner, leveraging data ensures that decisions are not only strategic but also rooted in measurable reality. Don't just use your gut, use your data!

From Raw Data to Predictive Insights

The journey from raw data to actionable insights begins with collection. Every touchpoint in your business generates data—sales numbers, customer interactions, employee performance metrics, and market trends. However, raw data alone holds little value. The real power lies in transforming this information into predictive insights. This means looking beyond what happened in the past and using patterns to anticipate future trends.

For example, a bakery that tracks daily sales might notice an increase in demand for a particular item on specific days. By analyzing these patterns, the owner can predict

and prepare for future surges, ensuring they're adequately staffed and stocked. Predictive insights help businesses not only react to trends but stay ahead of them.

Balancing Intuition with Data

As entrepreneurs, intuition often plays a significant role in decision-making. It's the gut feeling that comes from experience, creativity, and a deep understanding of your business. However, relying solely on intuition can lead to missed opportunities or misjudgments. Data acts as a counterbalance, validating—or challenging—those instincts.

Imagine you're considering expanding your product line. Your intuition might tell you that introducing a new product will resonate with customers. But the data might reveal that a significant portion of your revenue comes from a handful of bestsellers, indicating that doubling down on those products could be a more lucrative strategy. By combining intuition with data, you make decisions that are both bold and calculated.

Real World Applications in Scaling Businesses

Data-driven decision-making becomes even more critical as you scale. Larger operations mean more complexity, more variables, and higher stakes. For example, when opening a new location, data on customer demographics, foot traffic,

and competitor presence can guide site selection. Similarly, analyzing employee performance data can help identify leaders within your team who are ready to take on greater responsibilities.

A franchise owner might use sales data to identify underperforming locations and then dig deeper to uncover why. Perhaps one location struggles with customer retention due to inconsistent service. Armed with this insight, the owner can focus training efforts where they're needed most, driving improvements that align with broader business goals.

Turning Data into Action

The ultimate goal of data-driven decision-making is to take action. Insights without execution are meaningless. To turn insights into results, ensure your team understands the data and its implications. Equip managers with dashboards that provide real-time metrics relevant to their areas of responsibility. Set regular check-ins to review progress and adapt strategies as needed.

By integrating data into every aspect of your business, from marketing to operations to hiring, you create a culture of informed decision-making. This culture not only drives efficiency but also positions your business to seize opportunities and navigate challenges with confidence.

Action Areas

Identify Your Core KPIs

Focus on a small set of Key Performance Indicators (KPIs) that align with your business goals, such as gross profit margin, customer retention, and sales per labor hour.

Implement Cash Flow Forecasting

Develop a system to forecast cash flow at least 8 weeks in advance, using historical data to anticipate large expenses or seasonal fluctuations.

Track Customer-Centric Metrics

Measure metrics like Net Promoter Score (NPS), customer satisfaction, and churn rate to identify and address customer experience gaps.

Set Realistic Targets for Growth

Establish achievable goals for your team by using data-driven baselines, breaking them into manageable targets.

Use Data to Drive Decisions

Regularly review your data to uncover trends, validate intuition, and make informed choices that align with strategic objectives.

An Idea Even the Experts Miss: Tracking Too Much Data Is Just Another Form of Avoidance

Most experts preach the gospel of metrics. “Measure everything,” they say. But here’s what even the smartest miss: tracking too many metrics is just as dangerous as tracking none at all.

Why?

Because complexity kills clarity.

In your transition from operator to owner, you might believe the more spreadsheets you build, the more dashboards you check, the more in control you are. But often, this avalanche of data becomes a smokescreen. It gives the illusion of insight without delivering actual intelligence. It lets you stay “busy” instead of making bold, uncomfortable decisions based on the few numbers that matter.

When you track 30 metrics, you’re not leading—you’re hiding.

True mastery comes when you ruthlessly narrow your focus to the vital few: the KPIs that give you signal, not noise. These metrics act like an aircraft’s primary flight instruments. If the rest go dark, you can still fly and land the plane.

So stop mistaking volume for vision. Stop managing by data dump. Your job isn't to know everything—it's to know the right things at the right time so you can act with precision.

The expert mistake? Believing more data = more power.

The real power? Knowing what to ignore.

What You'll Learn in Chapter 6: Crafting a Culture of Excellence

In this chapter, you'll learn how to craft a culture of excellence that becomes the driving force behind your business' success. By defining core values, fostering accountability, promoting open communication, and embedding continuous improvement, you'll create an environment where your team is motivated and empowered to perform at their best. Discover how to celebrate wins, build trust through autonomy, and integrate emotional intelligence to strengthen relationships and collaboration. You'll also explore how customer-centricity and a commitment to employee well-being can foster loyalty and drive sustained growth. This chapter equips you with actionable strategies to transform your workplace culture into a lasting competitive advantage.

“Culture eats strategy for breakfast.”
— *Peter Drucker*

“Excellence is not an act, but a habit.”
— *Aristotle*

“If you don't define the culture, the culture will define itself — and you probably won't like it.”
— *Mike DeJong*

Chapter 6: Crafting a Culture of Excellence

A thriving business isn't just built on great products or efficient systems; it's built on a foundation of strong culture. Crafting a culture of excellence is about more than just setting high standards; it's about creating an environment where every team member feels motivated, supported, and empowered to bring their best. Culture is the unseen force that drives performance, inspires loyalty, and shapes the identity of your business. When culture is intentionally cultivated, it becomes one of your greatest assets, fueling growth, stability, and innovation. This chapter dives into the principles, practices, and mindset shifts necessary to create a culture that not only supports excellence but demands it.

Why Culture is Your Secret Weapon for Sustained Success

A strong culture aligns everyone in your business, from leadership to frontline employees, around a shared set of values, behaviors, and goals. While strategies, markets, and products can change, culture endures, acting as the compass that guides decisions and actions. A powerful culture increases employee engagement, reduces turnover, enhances customer satisfaction, and fosters a sense of pride in being part of something larger than oneself. Businesses with strong cultures are more

resilient, adapting to changes without losing their core identity.

When I grew from my first to my second location, I was still very much a hand crank business. However, we had an amazing culture in the first location, and I just assumed that by promoting and moving a couple of key people to that second location culture would follow. Nope, no, no uh-uh, I couldn't have been more wrong!

The location opened on time and on budget. All the marketing took place, and we were ready to rock and roll! Except we weren't! The new team that was emerging in the second location did not at all resemble the team in my first location. There was no cohesion, they didn't help each other out, they didn't put customers first, and there was constant bickering and arguing. Within this chapter you'll come to understand what happened and how I turned it around.

Defining Your Core Values: The Heart of Culture

Culture begins with core values—non-negotiable principles that define how you do business. Your core values set the tone for behavior, decision-making, and the expectations you have for your team. When clearly defined and consistently reinforced, values act as the bedrock of a strong culture, guiding your team through both routine tasks and unexpected challenges.

- **Choose Values That Reflect Your Vision:** Select values that resonate with your vision and mission, emphasizing qualities you want to see in every interaction.
- **Be Specific and Actionable:** Avoid vague or generic values; instead, define values that are actionable and meaningful, such as “Ownership” or “Continuous Improvement.”
- **Involve Your Team in the Process:** Engaging your team in defining or refining values builds buy-in and ensures they feel connected to the culture from the start.

The new team at my second location didn't grow up understanding my vision and values. I didn't have them posted anywhere; they just organically grew in the first location. They grew there because I was there almost every day. The second location had a couple of examples of what those values and vision were, but unfortunately they were weak examples as I moved managers and not *leaders* to the second location.

Building a Culture of Accountability

Excellence thrives where accountability exists. A culture of accountability ensures that everyone takes ownership of their responsibilities, adheres to standards, and strives to deliver exceptional results. When accountability is the norm, team members feel a sense of duty to their work, to each other, and to the success of the business.

- **Set Clear Expectations:** Define what success looks like for each role and set measurable goals easy to access to ensure clarity.
- **Encourage Self-Accountability:** Encourage team members to hold themselves accountable through self-assessment and personal goal setting.
- **Recognize Accountability:** Publicly acknowledge those who demonstrate accountability, reinforcing that it's a valued trait.

After I recognized that the second location culture was not working, I knew I had to take action. I informed the employees, verbally and through my actions, of the vision and values of the business. . I set clear expectations of what our goals were at that location and how we were going to measure them. I explained our 100/0 culture. That is, we take 100% responsibility and have zero blame. I started to recognize those who lived by it, I rewarded those that took accountability, and I encouraged those that set their own expectations. Things started to change.

Fostering Open Communication and Transparency

Transparency builds trust and a sense of security, while open communication promotes collaboration, problem-solving, and innovation. In a culture of excellence, team members feel comfortable sharing ideas, voicing

concerns, and challenging norms. This openness drives better decision-making, as ideas and feedback flow freely between all levels of the organization.

- **Share the Bigger Picture:** Regularly communicate the business's goals, performance, and vision so that everyone feels informed and aligned.
- **Encourage Honest Feedback:** Create an environment where constructive feedback is encouraged and viewed as a tool for growth.
- **Model Transparency:** Be open about your own challenges and decisions to show that transparency is a top-down value.

An additional issue in the second location was the manager and assistant managers were keeping all information to themselves. They grew up thinking that knowledge was power, and if they had the knowledge they had the power. Over time I was able to switch that mindset to one of transparency. They now understand that knowledge is power, but the more people that have that knowledge the more power we all have. I constantly talked about the big picture with everybody from the dishwasher to the manager. I let everyone in on our overall goals, both short and long-term. This built some excitement and started building team cohesion.

Creating a Culture of Continuous Improvement

A culture of excellence is one that never settles. Continuous improvement is the commitment to evolve, learn, and strive for better every day. When continuous improvement is ingrained in your culture, your team consistently looks for ways to enhance their work, raise standards, and innovate, propelling the business forward.

- **Encourage a Growth Mindset:** Promote a mindset where challenges are opportunities and mistakes are learning experiences.
- **Implement Regular Reflection Practices:** Conduct after-action reviews, post-project assessments, and other reflection practices to identify lessons learned and areas for improvement.
- **Reward Innovation and Initiative:** Recognize and reward those who proactively seek to improve, experiment, or introduce new ideas.

I have to admit, I have always *led* with a culture of continuous improvement but I hadn't actually taken the time to structurally implement it. Until recently, I hadn't built it into our DNA. A true culture of Excellence is foreign to most people. Oh sure everyone says they want to be the best, but people are too comfortable in the status quo to make the changes. This is another area where leading towards failing faster and doing an analysis of why we failed helps us grow.

Celebrating Wins to Reinforce a Positive Culture

Celebrating successes, both big and small, reinforces a positive work environment and motivates your team. Recognizing accomplishments creates a culture of appreciation, builds morale, and shows that hard work doesn't go unnoticed. Regular celebration and acknowledgment help cultivate pride and loyalty, strengthening your team's commitment to excellence.

- **Celebrate Milestones Publicly:** Acknowledge achievements in team meetings, newsletters, or dedicated recognition events.
- **Individual and Team Recognition:** Recognize both individual contributions and team efforts to show that every role and collaboration matters.
- **Reward and Incentivize Excellence:** Offer meaningful rewards, whether through bonuses, time off, or professional development opportunities, for exceptional performance. Not everyone wants cash. Find out what motivates the person being rewarded.

Especially in the second location, where initially the culture was.... not good.... we weren't doing a good job of recognizing the wins and celebrating milestones. We brought this to the forefront. We have daily recognition of milestones from the prior day: Did we hit our baking goal? Did we make our frosting goal? Customer

satisfaction? Whatever goal or milestone was reached, we celebrated it. Individually recognize those responsible and rewarded them either on the spot or in a lottery. Some of the rewards were small, like a five-dollar gift card and some of them were a little bit bigger, like an all inclusive overnight staycation at a local hotel. It was slow to build, but over time, recognition became part of daily life.

Empowering Your Team with Autonomy and Trust

Autonomy and trust are foundational elements of a high-performance culture. When you empower your team to make decisions and trust them to do their jobs, you create an environment where they feel valued, motivated, and capable. Empowered team members are more engaged, confident, and willing to take initiative—key traits for a culture of excellence.

- **Define Clear Boundaries for Autonomy:** Empower team members within defined parameters, providing clarity on where they have authority and freedom.
- **Encourage Decision-Making:** Allow team members to make choices within their roles, fostering confidence and ownership.
- **Demonstrate Trust in Actions:** Show trust by avoiding micromanagement and empowering team members to solve challenges on their own.

One of the issues with culture in my second location was most people felt they had no autonomy and were not trusted to do their job. They were micromanaged. Once I realized this was happening it wasn't that hard to fix. I had conversations with the current managers and explained the details I needed from them everyday for every task they performed. I explained they needed to get my permission before starting every task and report back in after finishing every task.

The look on their faces was priceless. I then smiled and said, “doesn't feel too good huh? This is how you've been leading your team here. They feel they have no autonomy and are not trusted. I'd like you to instead try laying out what the completed task looks like for them and leave it to them to get it done. Let them know they can come to you with any questions, issues, problems, but you do trust them to get it finished correctly and on time.” There was some protest. I heard standard responses like "I don't think they can be trusted” or “they don't know how to do their jobs”. I then suggested if that were true, then they don't have the right employees working for them. I insisted they give it a shot and see what happens. In a short time almost every employee’s productivity increased, call outs decreased, and turn over almost stopped. I really needed to credit my managers at that time, it was a hard transition for them to make but they led the team through it well.

Embedding Emotional Intelligence in Your Culture

Emotional intelligence (EI) is the ability to understand and manage emotions, both in oneself and others. A culture that values EI fosters empathy, respect, and effective communication, which are essential for collaboration and conflict resolution. By prioritizing EI, you create a work environment where people feel seen, heard, and valued, resulting in stronger relationships and a more supportive culture.

- **Teach EI Skills:** Provide training on EI skills such as active listening, empathy, and conflict resolution.
- **Model EI in Leadership:** Demonstrate emotional intelligence in your own interactions, setting an example for the team.
- **Encourage Empathy and Understanding:** Promote an environment where team members feel comfortable expressing themselves and showing empathy to others.

I believe emotional intelligence is one of the hardest attributes to grow in a culture. People are bombarded with blame and lack of empathy. On social media and the news it's a constant stream of he/she did this or that wrong, they suck, he/she should have known better, it's all their fault! Rarely is the nuance of someone's situation taken into account.

In reality everyone's life is all nuance. Getting employees to have room for understanding and digging for nuance is a game changer. Finding out why Susie is missing her metrics all day rather than just blaming Susie for missing them. Maybe Susie is stressed out because her boyfriend lost his job and she has to go to her sister's wedding in two weeks. Having the emotional intelligence to have a conversation with Susie and help her work through those issues is hard, but worth it. Workplaces where employees feel seen, heard and understood foster greater productivity, greater customer satisfaction and reduce employee turnover. It's hard work but it's worth it

Integrating Customer-Centricity into Your Culture

A culture of excellence prioritizes customer satisfaction and strives to exceed customer expectations at every touchpoint. Embedding customer-centricity into your culture means everyone, regardless of role, is focused on delivering value to the customer. This mindset improves service quality, customer loyalty, and your brand's reputation.

- **Make Customer Success Everyone's Responsibility:** Encourage all team members to consider the customer's perspective in their work.
- **Gather and Share Customer Feedback:** Regularly collect and share customer feedback with the team to inform improvements.

- **Celebrate Customer Success Stories:** Share positive customer stories and feedback to highlight the impact of each team member's work.

I'm constantly talking about raving fans. I don't want customers. I don't want clients. I want raving fans. To achieve this we need a culture that is truly customer focused, not just lip service. To do this I foster an environment where every team member is empowered to put customers first. Anyone along the production phase can ask would a customer like this product? All of the guest services people are empowered to make the customer happy before they leave. My manager's focus is to make customers happy.

Our mission is to provide outstanding service 100% of the time every time. Do we fall short? Yes, we sure do. We take those moments to learn, adjust our SOPs, and strive for that continual customer-centric perfection. Seth Godin says “ A successful business is either loved or needed.” Most, including mine, are not really needed, so it better be loved!

Fostering a Sense of Ownership in Every Role

When team members feel a sense of ownership over their roles, they naturally care more about their performance and the success of the business. Ownership goes beyond simply completing tasks—it's about commitment to the business's goals, values, and long-term vision.

Cultivating a sense of ownership in every role creates a workforce that takes pride in their contributions and is invested in the company's success.

- **Tie Roles to the Bigger Vision:** Help team members understand how their roles contribute to the company's larger mission.
- **Encourage Proactivity:** Empower team members to identify opportunities, make suggestions, and take initiative within their roles.
- **Reward Ownership and Accountability:** Recognize and reward those who take full responsibility for their work and outcomes.

Promoting Well-Being and Work-Life Balance

A culture of excellence prioritizes the well-being of its team members. When employees feel supported and balanced, they perform better, experience less burnout, and are more motivated to excel. By fostering a culture that respects work-life balance and promotes well-being, you're investing in the long-term health and sustainability of your team and business.

- **Encourage Healthy Work Habits:** Promote boundaries around work hours, vacation time, and workload.
- **Provide Resources for Well-Being:** Offer wellness programs, mental health support, or flexible work arrangements.

- **Normalize Self-Care:** Encourage team members to prioritize self-care and respect others' needs for balance.

My motto is family first always. New teammates are always surprised by this when it's actually implemented. If you have a personal or family issue you need to take care of, take care of it. Our PTO program is not set up as vacation days, sick days, etc. It is set up as paid time off. If people need a half a day or a full day off, I have them take it. If something comes up, their teammates cover for one another.

I have no tolerance for anyone that works off the clock or salaried managers that work more than 40 hours regularly. I have been taken advantage of far too many times during my work career to allow this to happen in my businesses. Because of this, my employees know I have their backs and, their jobs aren't in jeopardy if life happens. On the flip side, if I need them to step up due to an unusually large order, holiday season, sickness, etc., I know without fail they will. Now I live and breathe this balance, because prior to creating this culture, it was always me picking up the slack. It feels good to have a team!

Action Areas

Define Core Values Clearly

Select actionable and specific values that align with your vision and involve your team to build buy-in and connection.

Foster Accountability at All Levels

Set clear expectations, encourage self-accountability, and publicly recognize individuals who demonstrate ownership and responsibility.

Promote Open Communication

Share the big picture, encourage honest feedback, and model transparency to build trust and collaboration across the team.

Embed Continuous Improvement

Implement regular reflection practices and reward innovation to create a mindset where challenges are opportunities for growth.

Empower Team Members with Autonomy

Provide clear boundaries for decision-making authority, encourage initiative, and demonstrate trust by avoiding micromanagement.

An Idea Even the Experts Miss: Measuring Cultural Health with KPIs

While culture is often seen as intangible, it can—and should—be measured. Use cultural KPIs, such as employee satisfaction scores, turnover rates, and customer feedback, to assess the health of your culture regularly. Surveys and anonymous feedback mechanisms can help you gather insights and understand areas for improvement. Cultural KPIs provide valuable data to ensure that your culture remains strong, supportive, and aligned with your values. By measuring culture, you gain insights into how it impacts performance and gain the opportunity to course-correct before small issues become systemic problems.

What you'll Learn in Chapter 7

In this chapter, you'll discover how to transform your business into a customer-centric powerhouse by focusing on strategies that build loyalty, advocacy, and growth. You'll learn to leverage Customer Lifetime Value (CLV) to guide retention and acquisition, create detailed customer personas for tailored solutions, and map the customer journey to optimize every touchpoint. We'll explore how to build proactive support systems, foster a culture of empathy, and personalize customer interactions to deepen relationships. Additionally, you'll

understand how to design superior customer experiences, create referral systems that drive word-of-mouth growth, and track key customer-centric KPIs to measure success. By the end of this chapter, you'll have a clear roadmap to exceed customer expectations and create a business that thrives on lasting, loyal relationships.

“Customer service shouldn’t just be a department. It should be the entire company.”

— *Tony Hsieh (Zappos)*

“Your most unhappy customers are your greatest source of learning.”

— *Bill Gates*

“Customer loyalty is earned in the moments you’re not expecting to be judged.”

— *Shep Hyken*

Chapter 7: Building a Customer-Centric Business

In today's competitive landscape, a customer-centric approach isn't just a nice-to-have—it's a must for survival. Customer expectations are higher than ever, and businesses that don't prioritize delivering outstanding value risk losing their customers to competitors who will. Building a customer-centric business requires more than just good customer service; it's about creating a culture and systems that revolve around understanding, anticipating, and exceeding customer needs at every touchpoint. When executed well, a customer-centric approach drives loyalty, fuels word-of-mouth growth, and creates a foundation for sustained success. This chapter will dive into the mindsets, strategies, and practices that ensure your business thrives by putting customers at its core.

The Critical Importance of Customer-Centricity for Survival

For a business to endure and grow, it must do more than simply attract customers; it must retain them, delight them, and turn them into brand advocates, raving fans. Customer-centric businesses don't just provide a product or service—they create memorable experiences that

customers want to return to. This approach lowers acquisition costs, reduces churn, and builds a reputation that attracts new customers organically. In a world where customers can leave with a click,

customer-centricity is your strongest defense against churn and your greatest asset for growth.

In any franchise, heck in any business, we all know how important it is to say we are customer centric. But are you really? You must examine every way your business interacts with the customer. What frictions do you have from them purchasing from you? How can you reduce those frictions?

In a business I recently acquired I had a long conversation with the manager about how they interact with customers. My schedule would not allow an in-person visit to this new business for at least 30 days after I took it over. I heard all about how they were customer-centric, how they catered to the customer and took care of their every need. If that were true, I wondered, how was the business in the place that it was? A place where I could buy the business at a substantial discount?

During my first in-person visit I quickly discovered why. They paid lip service to being customer centric. They had many barriers and processes that made it easier for them, but harder for the customer. Some of these barriers included the 24-hour lead times for products that should take 10 minutes or less to produce, limited hours for

third-party providers like Doordash and UberEats, and nothing special being done for our wedding customers. When questioned why these roadblocks existed, I was informed that they were necessary due to a plethora of reasons. To name just a few: to take extra good care of the customer, to make sure their order was perfect, to prevent an order from being placed that could not be filled because it was too close to close, and that they didn't have the capacity for doing anything special for wedding orders. They honestly believed these policies made for excellent customer service. That's because they were looking at them from their point of view and not the customers.

Fortunately, I already had existing processes from other locations I could transplant to the new business. This included processes that may be a little bit more work for us, but get the customer the product when they want it, how they want it, and where they want it. All the while making them feel they've had an outstanding experience.

Within weeks of putting these new processes in place sales increased over 30% year over year and customer satisfaction scores went up to the top 25th percentile of the entire franchise system. Also the existing manager and most of the staff decided to exit. No one said being customer centric was easy! Make the necessary changes to grow your business and ask your employees to be a part, but if they are not open to improving their

business then don't stop your progress. Instead find

people who care about your business like you and create that buy in with them.

These were the easy tweaks though. Changing the mindset of the remaining employees was where the real work took place. Rewiring them to understand that the customer was not the enemy, was not out to get them, and was not trying to make their lives miserable was crucial. Instead, the customer was the person who paid the company bills, put money in all of our bank accounts, and was a person just like you or me— simply looking for an experience.

Understanding Customer Lifetime Value (CLV) as a Foundation

Customer Lifetime Value (CLV) is one of the most powerful metrics in a customer-centric business. It represents the total revenue a business can expect from a customer over the duration of their relationship. Knowing your CLV allows you to make informed decisions about acquisition costs, retention strategies, and marketing investments. A higher CLV indicates strong customer loyalty, which is the ultimate measure of a successful customer-centric business.

- **Calculate Your CLV:** Regularly analyze CLV to understand the value of long-term relationships with customers.

- **Segment by CLV:** Identify high-value customers and focus on building loyalty within these segments.
- **Invest in Retention:** Allocate resources to retention strategies that maximize the lifetime value of each customer.

It's easy in the franchise world to think we sell a low-cost product or service and that it's impossible to calculate the customer lifetime value. That could not be more wrong. A few years ago I started looking at where my customers are coming from and with the help of the franchise went from a vague customer persona to a solid 10 sub personas. I then spent a lot of time thinking about what the customer lifetime value would be for each one of them as opposed to a generic CLV. After spending some time with the numbers, I realized three personas in particular were responsible for approximately 30% of my sales or, at the time, \$500,000 a year.

I used that information to refocus my marketing efforts. I developed a tiered marketing approach. For the highest tier, I figured if I could attract people that were spending thousands of dollars a year at my business, then it'd be worth my while to increase the value of the free product or service I gave them. Therefore, enticing them to come through the door the first time. In this case, I specifically targeted people moving into certain neighborhoods. I offered them a free cake delivered to their door as a welcome to the neighborhood gift. Prior to the tiered approach I would occasionally offer a BOGO or free

bundtini size cake in a random manner, not focused on key areas or demographics.

For this specific persona, I decided that spending \$50 to acquire a customer that will spend a minimum of \$1,000 a year with me—and would likely continue to for decades—just made sense. However, when I shared it with fellow franchisees many were shocked and exclaimed they could never afford to give away \$50 to acquire a customer. Their short-sightedness has led to their slow or stagnated growth.

Creating Customer Personas to Deeply Understand Your Audience

A customer persona is a semi-fictional representation of your ideal customer, based on data, research, and insights. Personas help you understand your customers' needs, desires, and pain points. By creating detailed personas, you can tailor your messaging, products, and services to meet the specific needs of different customer segments.

- **Use Data and Surveys:** Collect data from customer surveys, purchase history, and engagement metrics to build accurate personas.
- **Identify Key Pain Points:** Define the problems your customers face that your business can solve.

- **Refine Over Time:** As you gather more data, refine your personas to keep them accurate and relevant. Create as many as you need to properly segment/tier your marketing efforts.

As I mentioned earlier in the chapter, having the right customer personas really helps hone your message— or should I say, messages. When I first started in the franchise system I was told our customer persona was a married woman between 30 and 65 years old with 2.2 kids and a mean household income of \$80,000. This wasn't a bad start, but didn't match up to what I was observing coming through my doors. A few years after opening the business, the franchise system conducted deeper research into the different personas. I have been able to use that data to have more directed marketing. This way I'm aiming at the dart board with my eyes open!

Some examples of the new personas are Sub-Urban Diversity, Retired Sophisticate, and Affluent Suburban. These people all love cake, but they buy at different rates, different price points, and sometimes for different reasons. Let's break these three down just a little bit.

Sub-Urban Diversity

These households consist of married couples in their 30s and 40s, often with middle or high school-aged children, living in recently developed suburban neighborhoods. They own mid-priced single-family homes and generally have a

household income between \$75,000 and \$99,999. Education levels vary, but many have college degrees. They enjoy an active family lifestyle, including sports, outings to museums and zoos, and frequent dining at family-friendly restaurants. Technologically adept and career-focused, they shop both on-line and in-store, favoring mainstream brands and sporting goods. They lean conservative and focus on saving for the future, though they are wary of investing.

Retired Sophisticate

This group is made up of older and retired upscale couples, typically aged 66–75, living in suburban homes worth over \$500,000. Most are empty nesters with household incomes between \$100,000 and \$124,999. They are well-educated, often holding advanced degrees, and pursue leisure-intensive, culturally rich lifestyles involving fine dining, concerts, and international travel. Environmentally conscious and philanthropic, they support a variety of charities and volunteer in their communities. Brand loyal, yet technologically cautious, they prefer traditional media and invest their time in thoughtful purchases, particularly luxury items like imported cars and antiques.

Affluent Suburban

This affluent group includes successful couples and families in their 50s and 60s living in million-dollar homes in prestigious suburbs. Highly educated, they hold senior positions in business, finance, or healthcare. These households balance active lifestyles, such as golfing and fine dining, with cultural activities like theater and museum visits. Known for their luxurious tastes, they invest in high-end vehicles, fashion, and technology. Politically moderate, they are active philanthropists, supporting prominent causes and attending charity events. They maintain significant wealth through diverse investments, credit lines, and equity in their properties

This is still just a superficial overview. To really market your customers you should go even deeper. Exactly what stores do these people shop at? What restaurants do they eat at the most? What are their secret delights? What does a family occasion look like for them? Precisely which schools do their kids attend and are they private or public? What brand clothes do they wear and what stores do they buy them from? What predominant brand, model and trim level of automobiles do they drive or perhaps they don't drive? What sort of pets do they have and how many? Where are there pets' vet services, where do they buy their food, what pet toys do they like, and are their pets sent to daycare? This is not a comprehensive list! The deeper you go, the more you understand exactly

who your clients are the better you'll be able to understand their needs, wants and desires and meet them.

You're probably wondering right now how can you figure out this information. Your franchisor probably has a lot of this data, but if not, there are several ways to gather it— from observing and asking the customers that come into your store, right up to asking big brother. There are a number of companies that specialize in market segmentation. It's worth the time and the cost to go deep on who your customer is but if you go the big brother route, be sure to spend enough time to understand, at least generally, who they are first.

Mapping the Customer Journey for Insight and Improvement

The customer journey encompasses every touchpoint a customer has with your business, from initial awareness to post-purchase engagement. By mapping this journey, you gain insights into where you're excelling and where improvements are needed. A clear, well-defined customer journey helps you understand customer expectations at each stage and allows you to create a seamless, delightful experience.

- **Identify All Touch-points:** List every interaction point, from advertising and social media, to in-store visits or website interactions.

- **Analyze Pain Points and Bottlenecks:** Determine where customers might encounter friction and optimize these areas.
- **Personalize the Journey:** Use data to tailor the journey for different customer segments, creating a more customized experience.

As franchise owners, we might not be running the social media or other national ad campaigns, but we are in charge of our four walls, and the touch points with customers start before they even enter our stores. I have my team start with the pylon sign up by the road, is it lit, can you read it? Is the parking lot clean or does it have trash? Is the approach to the front door clear of snow, trash, cigarette butts, salt, and sand? Are the store windows clean and without cracks? Can you open the front door easily? Ever get frustrated when you open the left door to find out it is locked but the right door isn't?

The second touch point is their first impressions as they walk in. When you first enter the store is it brightly lit? Does it appear orderly? Can you walk around easily? Is there clutter? Is there dust? Has the floor been mopped and vacuumed? Are there scuff marks on the counters or baseboards? Are the shelves full and products neatly arranged? Was the guest promptly greeted and welcomed? What does the buying process look like? Are the guests easily guided where they need to be, or do they have to question where to go? When and how does the

first staff member interact with them? What does the interaction look like? What questions are asked, and I don't mean “Can I help you”?

Find a question that works for your business. We use What occasion brings you in today? And “Have you been in before”? The right questions open dialogue with the customer. Simply asking them, can I help you, 99 times out of 100 will be rebuffed.

In observing customers flow through your store and from survey feedback, you can identify pain points such as the ordering process, checkout experience, or care instructions. Does the ordering process flow easily, and does the customer understand what they're getting each step of the way, or does it require detailed descriptions, props, and much discussion? Is the checkout friendly, are they asked if they need anything else with the order? This is not just a time to upsell, but to sincerely make sure they have everything they need for the occasion. Do they really know how to take care of the product once it leaves the store? What temperature should it be kept at? How long will it last? Should it be refrigerated? What happens if they leave it out? By addressing these bottlenecks and pain points ahead of time, you're providing an outstanding customer experience, not just the normal one we're all used to.

Developing a Proactive Customer Support System

Reactive support—addressing issues only after they arise—limits your ability to create a truly customer-centric business. Instead, focus on building a proactive customer support system that anticipates issues and resolves them before they become complaints. Proactive support increases customer satisfaction and minimizes negative experiences.

- **Implement FAQs and Knowledge Bases:** Provide self-service options to address common issues.
- **Use Predictive Analytics:** Analyze patterns in support inquiries to predict and prevent common issues.
- **Personalized Check-Ins:** Reach out to customers proactively at key points in their journey to offer assistance and support.

In the franchise world, the franchisor generally keeps and updates the FAQs and knowledge base. It's up to us to make sure our employees understand everything in those FAQs and knowledge base, so the customers never have to go looking for it themselves.

Predictive Analytics is a fancy way of saying, watch how your customers interact with your employees and your wares. By observing their flow through your store, you start to understand which customers are going to have what sorts of questions. Teach these observations to your staff,

and they can anticipate these questions by proactively engaging with the customer. This makes it look like they're reading their mind.

These proactive customer interactions are your personalized check-ins for those customers in your store. If you have a product that can be ordered weeks or months in advance I would suggest you also have personalized check-ins and have systems in place for making those experiences outstanding. These could be through a CRM (Customer Relationship Management) tool or a paper calendar. Find something that works for you then operationalize it.

Weddings are an area we've made changes over the years. Initially, a bride and groom would come in, order their cake, and we would either deliver it or they'd have someone pick it up on their wedding day. We observed in the week leading up to their wedding, they would often call to confirm that their cake would be made for them, the quantities, and details of the pickup or delivery. We decided to be proactive in this area. We now call the bride and groom 10 to 14 days before their wedding and give them a rundown of what we're going to do for them, assuring them that everything will be perfect, at least on our end, on their special day. The day of the wedding we text or call their designated contact person to keep them up to date on the pickup or delivery. Two weeks after the wedding we call the new Husband and Wife and make sure everything was great and ask them if there's anyone else they could recommend to use our services.

Transitioning from passively waiting for the bride and groom to follow up on their order to implementing a structured process has increased our wedding orders by at least 25%, while bringing customer satisfaction in this area closer to 100%. I absolutely love it when a wife and husband comes in and lets us know how we made their day extra special.

Creating a Culture of Customer Empathy

Empathy is at the heart of a customer-centric culture. When employees understand and genuinely care about customers' needs and experiences, they're more likely to go the extra mile. Building a culture of empathy requires training, recognition, and reinforcement, so every team member, from frontline staff to leadership, prioritizes the customer in their decisions and actions.

- **Empathy Training:** Provide training that helps employees understand customer perspectives and communicate with empathy. This is usually done informally, within the moment.
- **Embed Empathy in Values:** Make empathy a core value in your culture, emphasizing its importance at every level.
- **Celebrate Customer-Centric Actions:** Recognize and reward team members who go above and beyond for customers, reinforcing the value of empathy.

Empathy training doesn't have to be this formalized process, although it can be. It could be as simple as talking with your front-line staff about interactions you observe with the customers. Get them thinking about customer interactions. For example, was the man who came in actually angry because it took an extra 12 seconds to get their cake? Or was he upset because he had a very difficult day and was getting that cake to cheer himself up. Perhaps by asking the right questions and engaging them with empathy you could turn their day around.

I've made empathy a core value in each of my locations. This shows up in many ways, but one of my favorite is by empowering our guest services staff to offer a free small cake to anyone they observe having a bad day. That's right, every staff member can offer free cake to someone they see having a rough time. I cannot express to you how this simple gesture turns people's days around. They go from sad, dejected, angry to grateful and joyous. It costs us very little, but has a huge impact. I have to admit there's a little selfish motive with this as well, think of the stories that customers are going to tell when they go home.

We take time to recognize and celebrate customer centric actions. One way we do this is by posting any guest feedback for everyone to see, and another is by making employee recognition the first item at any meeting we have. Having open recognition channels in each

department and location so that anyone can recognize anybody else at any time.

Building Systems for Consistent Customer Feedback

Customer feedback is a goldmine of insights, highlighting what you're doing well and where you can improve. Creating systems for collecting, analyzing, and *acting* on feedback keeps you connected to your customers' evolving needs and expectations. Feedback should be continuous, consistent, and actionable, empowering you to make meaningful improvements.

- **Regular Surveys and Feedback Forms:** Use surveys, online reviews, and direct feedback forms to gather insights.
- **Monitor Social Media:** Track mentions, reviews, and comments on social media for unfiltered customer opinions.
- **Close the Feedback Loop:** Inform customers of the changes made based on their feedback, demonstrating that you value their input.

For many franchisees customer surveys and social media are handled by the franchisor. You might not be able to directly influence the survey or social media feedback, but you can react and build processes based on what you learn. Are you taking the time to read the individual comments that come back with each survey? Especially the less than good comments? Do you dig into the nitty-

gritty or just look at the big things like overall customer satisfaction? An area we continually failed at was ease of movement throughout the store. I thought for a long time there's nothing I could do about this. Then I remember there's always a way. I spent a few hours a day for about a week watching our customers move through the store and I realized one of our main display tables was really impeding their flow. After some discussion I figured out I could eliminate that table and added an additional display table somewhere else. The ease of moving through the store section of the survey went up. More importantly the overall customer satisfaction, likelihood to return, and likelihood to recommend went up! It was a small pain point, but whittling away at all the small ones lead to big changes.

Closing the feedback loop has had the result of changing angry customers into raving fans. As I mentioned in Chapter 3, we implemented a process where we thank the customer for letting us know there was a problem. We listen to what the problem is. We truly empathize with their problem. We make no excuses! We apologize. We ask them how we could fix it. We fix it.

Then the magic happens, because we followed up not once, but twice to make sure they were still satisfied. I've had customers pull me aside and tell me they never expected to hear back at all, let alone be seen and heard. They tell me they recommend us to all their friends and family and that they'll be coming here for life. Feedback truly is a gift!

Investing in Customer Experience (CX) Design

Customer experience (CX) design is the process of creating and refining every interaction point to ensure it delivers value and satisfaction. CX design goes beyond customer service—it's about making every part of the customer journey seamless, efficient, and enjoyable. A well-designed CX creates memorable experiences that build loyalty and differentiate your brand.

- **Focus on Ease of Use:** Simplify website navigation, checkout processes, and support options.
- **Consistency Across Channels:** Ensure a seamless experience, whether customers interact with you online, in-store, or through social media.
- **Enhance the Little Details:** Small touches, like follow-up emails or personalized thank-you messages, make a big difference in the customer experience.

In many franchise systems we have no ability to adjust the website and can only influence how seamless the customer sees us online or on social media versus in our store. We are responsible for the in-store checkout process, how we support our customers and all the little touches like saying thank you, a follow-up email or handwritten note.

In a franchise I sold a few years ago I discovered the personal, handwritten thank you note to be my most

powerful customer retention and customer loyalty tool I had. I bought a failing location and quickly turned it around by looking at and reshaping the entire customer experience. The cherry on top was the handwritten thank you note I sent to each and every new customer and periodically to existing customers. Retention rates went from staying only a few months to almost no one was leaving. This had such a profound effect on the cash flow and overall health of the business I was able to sell it 7 months after I bought it for almost 2.5 times the original purchase price.

Building a Referral System to Encourage Word-of-Mouth Growth

Happy customers are your best marketers. A referral system incentivizes customers to share their positive experiences, driving new business and strengthening customer loyalty. By making referrals easy and rewarding, you turn loyal customers into brand ambassadors who help you grow organically.

- **Offer Tangible Rewards:** Provide discounts, credits, or gifts for referrals to encourage participation.
- **Simplify the Referral Process:** Make it easy for customers to refer friends through links, codes, or in-app sharing.
- **Recognize Referral Champions:** Highlight and reward customers who consistently refer new business, reinforcing their loyalty.

One of the greatest marketing genius of our time, Jay Abraham, asks the question “How would you run your business if it were 100% referral based?”. That is you have ZERO advertising or marketing other than systematic, in-house referrals. Having multiple systemized referral systems is not just a good idea—it’s an absolute necessity for maximizing the profitability and sustainability of your business. Think about it, a referral is the highest-quality lead you can ever generate because it comes with built-in trust and credibility. When someone recommends your business, they’re lending you their hard-earned reputation. That kind of endorsement cuts through the noise and skepticism of traditional marketing, often converting prospects into loyal customers with lightning speed. But relying on just one referral channel is like trying to balance your entire business on a single leg. It’s risky, inefficient, and leaves enormous potential untapped.

Now imagine the power of having not one, but five, ten, or even twenty systemized referral systems working for you simultaneously. Each system acts as a unique pipeline, pulling in different types of high-quality prospects from various networks, communities, or industries. These systems could include incentivized customer referral programs, strategic alliances with complementary businesses, influencer endorsements, professional referral networks, or even referral-driven affiliate programs. By diversifying and systemizing your referral strategies, you create a perpetual motion machine

for growth—one where your existing customers, partners, and advocates become an unstoppable sales force.

The brilliance of systemization is that it transforms the art of referrals into a science. It ensures consistency, predictability, and scalability. When you embed processes to encourage and reward referrals, you're not leaving your most valuable lead generation strategy to chance. Instead, you're engineering a sustainable competitive advantage that can adapt to changing markets and customer needs. The result? A business that thrives on trust, loyalty, and exponential growth, far outpacing competitors stuck in the hamster wheel of traditional advertising.

In the franchise I mentioned earlier in this chapter I had several systemized referral systems that increased our customer base in a very short period. While we all run unique franchises, some referral concepts are universal. Here's a few that I used:

- We asked each new lead for a referral before they even got to the store. We asked them to bring a friend. If they brought that friend they both received access to all of our spa treatments that day, and for the rest of the week instead of just an overview of what we offer.
- When a new person started with us we took a series of measurements. We knew after six weeks many of those measurements would show positive change, so we had a

calendar reminder on the 6th week anniversary for each new member to redo their measurements. As soon as those measurements were completed and we celebrated their progress we would ask them ‘do you have any friends or family that like to see the same progress as you? Bring them in with you next time, we'll run them through the process. You will all get access to any level spa equipment for the next week’.

- We ran a monthly referral contest. Whoever brought in the most new people to try us received one free month for themselves and for anyone they brought in that signed up. I knew the lifetime value of my customers was approximately \$4,500 so giving away a few free months was well worth it!
- Anytime a client hit a new milestone in any area, we celebrated and then asked for a referral.
- I had a partnership with an alternative health clinic. Anyone they referred to us received a free month and the clinic received a free month to use for whoever they wanted. Such as a clinic employee.

I trained the staff to constantly be looking for referral opportunities and not be afraid to ask. After all Dean Graziosi teaches us that selling is a means to serve others for their greater success. If what we're doing is helping, wouldn't we want to help as many people as possible?

Tracking Customer-Centric KPIs for Accountability

In Chapter 5 we talked about KPIs, but I thought it was important to mention them briefly again. To ensure that your customer-centric efforts are effective, track KPIs that reflect customer satisfaction and loyalty. These KPIs provide insight into how well you're meeting customer needs and help you identify areas for improvement. Customer-centric KPIs keep your team accountable to the goals and standards you've set.

- **Net Promoter Score (NPS):** Measures customer willingness to recommend your business, a key indicator of loyalty.
- **Customer Satisfaction Score (CSAT):** Gauges immediate satisfaction with a specific interaction or experience.
- **Customer Retention Rate:** Tracks how many customers return, indicating long-term loyalty and satisfaction.

Net promoter score, customer satisfaction score, and customer retention rate are all great macro indicators on how your business is performing. When you are in the owner mindset, as we're teaching you to be in this book, looking at these particular customer KPIs will immediately tell you the health of your business. However, if they're trending down or not as high as you want them to be, you'll have to engage your staff to dig

deeper. In the customer surveys you have to look at how customers feel about price and quality? What do they think about the packaging? What's it like moving through the store? Were they greeted? Were they thanked and invited back? Do they like the selection? All of these small things add up to BIG results. As the owner your role isn't to dig— it's to lead.

Action Areas

Understand and Calculate Customer Lifetime Value (CLV)

Regularly analyze CLV to identify high-value customers and prioritize retention strategies for maximum long-term profitability.

Create Detailed Customer Personas

Develop data-driven personas to deeply understand customer needs, desires, and pain points, tailoring your messaging and offerings accordingly.

Map the Customer Journey

Identify all customer touchpoints, analyze friction areas, and optimize interactions to create a seamless and satisfying customer experience.

Implement Proactive Support Systems

Use predictive analytics and personalized check-ins to address customer needs before issues arise, enhancing satisfaction and loyalty.

Systematize and Reward Referrals

Build multiple referral systems with tangible incentives and easy processes to encourage word-of-mouth growth and expand your customer base.

An Idea Even the Experts Miss: Predictive Customer Insights for Future- Proofing

While many businesses focus on current customer needs, truly customer-centric organizations anticipate future desires. By analyzing customer data, market trends, and behavioral insights, you can predict future preferences and proactively adapt your offerings. This predictive approach keeps you ahead of the competition and demonstrates a deep commitment to understanding your customers. Incorporate predictive insights into product development, customer service, and marketing strategies to consistently surprise and delight customers.

What You'll Learn in Chapter 8

In this chapter, you'll learn how to build resilience and adaptability into your franchise operations, ensuring your business can weather challenges and

seize opportunities in an ever-changing environment. We'll explore the importance of cultivating a growth mindset, preparing for unexpected events with strategic contingency plans, and fostering a financially stable operation that can adapt to fluctuations in the market. You'll discover how to empower your team with agility and cross-training, leverage corporate and local resources, and embed a culture of continuous improvement to keep your franchise competitive. Through practical strategies and actionable insights, this chapter equips you with the tools to navigate uncertainty with confidence and drive sustainable growth.

“Fall seven times, stand up eight.”
— *Japanese Proverb*

“Change is inevitable. Growth is optional.”
— *John C. Maxwell*

“Adaptability is about the powerful difference between adapting to cope and adapting to win.”
— *Max McKeown*

Chapter 8: Building Resilience and Adaptability for Long-Term Success

In today's fast-paced and ever-changing business environment, franchisees who succeed are those who build resilience and adaptability into their operations. Resilience allows you to recover from setbacks and challenges while maintaining focus and momentum. Adaptability equips you to pivot in response to changing market demands, operational disruptions, or corporate directives. These qualities are essential—not just to survive but, to thrive in an increasingly competitive and uncertain landscape.

The importance of resilience and adaptability was starkly highlighted during the COVID-19 pandemic. Within two weeks of the government-mandated shutdowns, businesses in the shopping center where one of my bakeries is located began to close. A restaurant that had thrived for over a decade shuttered its doors, and within months, two more businesses in the center had followed. Meanwhile, my business, along with other survivors on the main road, showed creativity, adaptability, and resilience. Restaurants without drive-through's set up makeshift drive-through within weeks. Fitness studios moved their classes to parking lots, maintaining social distancing, while keeping operations going. In my

business, we quickly offered no-contact pickup, leaving orders on a table outside for customers to collect, and significantly ramped up our delivery services, something we had rarely done before.

For franchisees, resilience and adaptability are critical in navigating unique challenges, including shifts in corporate strategy, supply chain disruptions, local market changes, and evolving customer expectations. Franchisees who recover quickly from setbacks and respond proactively to new opportunities build a strong foundation for long-term success. This chapter explores practical strategies and frameworks to help franchisees embed resilience and adaptability into their operations, while staying aligned with their brand's mission and vision.

Embedding a Growth Mindset in Your Franchise

A growth mindset encourages franchise teams to see challenges as opportunities to learn and grow. For franchisees, this mindset is crucial for navigating obstacles and continuously improving operations, while staying aligned with the franchisor's standards.

- **Reframe Challenges as Opportunities:** Discuss how setbacks, like a slow sales season or a corporate policy change, can reveal opportunities for improvement or local innovation.

- **Encourage Team Experimentation:** While maintaining brand standards, explore small, testable adjustments in operations or customer engagement.
- **Model Resilience:** As a franchise owner, share your own lessons learned from overcoming setbacks to inspire your team.

In my franchises I'm always talking about failing faster. Don't be married to that one idea. You can change it! I'm constantly rephrasing challenges as opportunities. Early on, my team was resistant, then they became amused, questioning how I could turn this challenge into an opportunity. Now, I find them offering me the opportunities that arise from various challenges. It doesn't happen quickly, but a mind shift is possible— and when it comes from your team, it's so much more impactful. They have far more ideas than you ever will, so leverage them!

I'm constantly telling stories to my team members as well as anyone else who will listen. Many of these stories are about perseverance or overcoming an obstacle. We all have them—heck we all have hundreds, maybe even thousands. We just rarely think about them and almost never talk about them. I challenge you to think about the “normal” issues that come up in your day-to-day operations and then think about a story from your life that is relevant to that issue. Practice that story, and the next time the issue comes up, relate it in a matter-of-fact way to your team members. Embellish a bit if you need to but keep it mostly real. There's a song by Jimmy

Buffett, *Semi True Story*, that I think covers this really well. The chorus goes:

It's a semi true story, believe it or not

I made up a few
things and there's
some I forgot But
the life and the
telling are both
real to me

And they all run together and turn out to be a semi true story

Use stories to get your point across. Describe how you changed challenge into opportunity. Use this same concept for other common challenges. A story is remembered better than a fact. Humans have been using storytelling to teach lessons for thousands of years. Use what works!

One of my favorite stories comes up every holiday. Each holiday my teams become overwhelmed by the number of orders we get in a very short period of time. Why don't our customers order in advance? How are we ever going to fulfill these orders! I remind them they have a team of 12 to 15 people. I tell them about the first Covid-19 Mother's Day story.

We had myself and three other people working and had an almost 100% increase in sales year over year. Our point of sale system did not talk to our website, so every order had to be printed out and hand keyed into the POS.

We didn't have a phone tree providing customers options to find out our opening to or to give directions to our store. Every call was answered manually. What did we do? We went to work! During business hours, one person was on the phone and keyed orders into the POS. Two were in the back baking as fast as they could. One person was serving customers as they came to the door. As soon as we closed for the day we regrouped and the hundreds of orders that came in over the website were printed out and hand keyed by two of us into the POS system. The other two kept baking. Yes, there was only a few hours of sleep but our mission, our reason for existing, was to bring joy to others and we knew we couldn't let them down. Mothers had borne a huge brunt of the Covid-19 lockdowns, and we knew they needed their day of celebration.

When the day came, we created our first ever drive through. We had some signs made to direct traffic around the store. We briefed runners on what information to get from each car and how to quickly move them through the line. Yes, we may have had a traffic jam that stretched over a mile down the main road, but we got people through as quickly as we could. People were grateful. No one was upset, because they could feel our positive energy. They might have arrived upset, but they left happy. They felt supported and everyone loved how we were making someone's day special.

After telling the story and getting confirmation from one or two people who actually experienced the event, teams will universally buckle down, get to work, and serve the customers.

Developing a Strategic Contingency Plan

Franchisees benefit significantly from having contingency plans that address potential risks, especially those specific to their local market or operational structure. Whether it's a staffing shortage, supply chain delay, or an unexpected change in corporate directives, a proactive plan can help mitigate disruptions.

- **Identify Common Risks:** Consider risks such as fluctuations in foot traffic, local economic changes, or issues with corporate-supplied products.
- **Develop Action Steps:** Outline clear responses for each scenario, ensuring that they align with corporate policies and brand standards.
- **Involve Your Team:** Train your staff on their roles in the contingency plan, ensuring quick and effective execution when needed.

Early on, I developed many different contingency plans, but did a poor job of documenting or sharing them with my team. If you remember from an earlier chapter I disliked SOPs. But as I transitioned from an operator to an owner, I started writing things down, or having my team write it down.

I didn't plan for Covid-19 or any Global event, but I do

have plans for everyday events like snow storms, staffing shortages due to seasonal sickness like the flu, power outages, water shut-offs, a broken hot water heater, a broken oven, a broken mixer, a malfunctioning refrigerator, a car crashing through the front window, and many more. I also have more detailed plans for less common events—ones that almost universally put a business out of business—such as fires and floods.

Building a Financial Buffer for Stability

Financial resilience is critical for franchisees, who often operate with tight margins and depend on stable cash flow. A financial buffer enables you to weather unexpected challenges, such as a temporary drop in revenue, increased operational costs, or faster growth than forecast without compromising your ability to meet franchisor obligations.

- **Build a Cash Reserve:** Save three to six months of operating expenses to ensure stability during downturns.
- **Control Local Expenses:** Monitor and manage local operating costs to avoid overspending on items not mandated by the franchisor.
- **Diversify Revenue Streams Within the Brand:** Explore franchise-approved options like catering, delivery, specialist program, or add-on services to expand your income base.

If you remember early on I decided to buy a car rather than save the money and it almost bankrupted me. It is so tempting to spend that money in the bank, maybe not on a car, but on our families or a cause we care about. I implore you to learn from my mistakes and save at least three months of expenses. How? Just like you do at home, save more than you spend. The baby has to eat first, and in this case, the baby is your business.

Local expenses fall into what an early mentor, Calvin Ricks, calls the belly of the profit and loss (P&L) statement. These can be your towel service, exterminator, water coolers for the employees, mat service, landscaping, etc. Business is won and lost in the belly of the P&L. Like we discussed in Chapter 5, protecting this will make or break your business.

Diversifying revenue streams must be done within the franchise approved systems. For me the extra revenue streams were achieved by ramping up delivery services and offering optional flavored popcorn. Both combined have added a few thousand dollars a month to the bottom line in each location. In another franchise system I added Red Light Therapy and a Bio-Charger. Find as many approved revenue streams as you can and utilize every one of them.

Fostering a Culture of Agility Within the Franchise

Agility enables franchise teams to adapt quickly to changing conditions, whether it's a new corporate promotion, local market demands, or operational disruptions. Agile franchisees are better equipped to implement changes swiftly, while maintaining consistency with the brand.

- **Empower Decision-Making Within Guidelines:** Train managers to make operational decisions that adhere to franchise policies but allow for local responsiveness.
- **Encourage Cross-Training:** Develop a versatile team that can step into different roles as needed, ensuring smooth operations during staff shortages or other disruptions.
- **Implement Feedback Loops:** Regularly gather insights from employees and customers to identify areas for improvement and adaptation.

In too many franchises, heck in too many small businesses, decision making only happens at the top. With you! Or you empower the team to make all the decisions without guardrails because you're just done with the constant stream of decisions coming your way. Neither system works. If you're making all the decisions there's no room to grow, you're 100% operator. If your team makes all the decisions without any guidance or

guardrails, you will quickly be out of business. They mean well, but they don't have your level of understanding and perspective.

The key to transitioning from an operator to an owner in this area is understanding what decisions to delegate and providing clear guidance on the guardrails within the decision-making space. There are five things an owner must never give away:

1. Deciding the Outcome/Result
2. Strategy
3. Allocation of Resources
4. Organization Chart - Who is responsible for what
5. Culture.

Here are a few examples of things that can be handed off—with guardrails:

1. Anyone in my business can fix something if it costs less than \$25. If it's less than \$25 they could order it or make the change. For store managers it's \$500. It was higher, but I found too much unnecessary spending, so I backed it down.
2. Everyone must take care of a customer before they leave. Everyone is empowered to do what it takes, up to \$100, to make the customer happy. They don't have to call a manager and they don't have to call me. They do have to let us know what happened, and a manager will follow up with the customer to make sure they're happy.

But there's no waiting for the manager to call them back, it's fixed on the spot!

3. Safety or production related repairs can be authorized by the manager without asking me first. Bald tires on delivery van? Replace them, Oven not coming to temperature? Get a repair person in their ASAP. Depending on the issue and the dollar amount I may want to know that it's been fixed, but I don't need to approve it first and I don't necessarily need to know all the details.

Cross Training is something I require. Each employee starts by learning one role, but as soon as they are competent in that role they start training for another, then another. This helps dramatically when you have a call off or no show. When hiring new people I let them know they'll be cross trained. We also inform them they'll be rewarded financially for that cross training. I speak with them about if you can do more for me you're worth more to me and you'll make more.

Feedback loops can be either formal or informal within your business. I think you need both. Formal loops include surveys of your staff or suggestion boxes. Informal loops, my preferred method, it's just talking to your peeps. I encourage my managers to be asking staff questions all the time. Things like:

- 1. What challenges or roadblocks have you encountered while working on this task, and how can I help address them?**

Purpose: Understand obstacles and offer support to ensure smoother execution

- 2. What's working well so far in this task, and why do you think it's effective?**

Purpose: Identify successful strategies and reinforce positive practices.

- 3. Are there any tools, resources, or additional support you need to perform this task more efficiently?**

Purpose: Determine if staff have adequate resources and what can be optimized.

- 4. How do you think the task or process could be improved to achieve better results?**

Purpose: Encourage innovation and involve the team in continuous improvement.

- 5. Is there anything unclear about the goals or expectations for this task that we should clarify?**

Purpose: Ensure alignment and address any confusion before it impacts performance.

Leveraging Corporate Support and Building a Local Network

Franchisees benefit from the dual advantage of corporate resources and local connections. Building a strong

support network ensures you have access to advice, resources, and solutions during challenging times.

- **Utilize Corporate Resources:** Take advantage of franchisor training, operational support, and marketing resources designed to help franchisees succeed.
- **Create a Peer Network:** Connect with other franchisees in your region to share best practices and solutions to common challenges.
- **Develop Local Partnerships:** Build relationships with local vendors, organizations, and businesses to create a strong support system for your location.

You've probably heard it said, your net worth is equal to your network. It's one of the truest statements of business. But what is your network?

An awesome network is a thriving community of people who are genuinely invested in each other's success. It is built on a foundation of trust, collaboration, and a shared vision for mutual growth. In such networks, relationships go beyond mere transactions; they are grounded in genuine connections where members actively give value, share knowledge, and support one another without expecting anything in return. Trust forms the backbone of these relationships, enabling honest advice, resource-sharing, and reliable support. The diversity within a strong network—encompassing varied perspectives, skills, and experiences—fosters creativity and enhances problem-solving. This type of network prioritizes long-

term relationships, where collaboration and mutual benefit take center stage, and every interaction creates value for everyone involved.

The key to building such a network lies in adopting a “give first” mentality. By offering time, expertise, or resources to others without strings attached, you create an environment of goodwill, authenticity, and trust. This approach lays the groundwork for reciprocal support, where others feel genuinely inclined to contribute back. Generosity not only strengthens relationships but also creates shared success, as one person’s growth often benefits the entire network. Over time, this strategy enhances your reputation as a trusted and credible leader who values the well-being of the community.

In the context of a franchise, giving first and building true partnerships is a particularly effective strategy at multiple levels. With the corporate team, for example, being a proactive and collaborative franchisee strengthens the relationship. Providing constructive feedback, sharing success stories, or offering to pilot new programs demonstrates your commitment to the brand's overall success. Expressing gratitude for the resources and support provided by corporate leadership further deepens trust and partnership.

When working with other franchisees, sharing best practices and lessons learned creates a culture of mutual support and collaboration. Mentoring new franchisees or helping peers troubleshoot challenges demonstrates a

spirit of camaraderie and strengthens the franchise network as a whole. Celebrating the successes of other franchisees reinforces the idea that everyone's growth contributes to the brand's collective success.

At the local level, forming partnerships with suppliers and businesspeople requires a similar giving-first mindset. Building reliable, long-term relationships with local suppliers creates a sense of mutual trust and loyalty. Collaborating on special promotions, community events, or joint initiatives further strengthens these bonds. Acting as a connector—introducing your suppliers or local business contacts to other potential clients—elevates your value as a partner and enhances the local ecosystem.

A franchise does not operate in isolation but as part of an interconnected system that relies on collaboration and shared success. By prioritizing giving and building authentic partnerships, you position yourself as a valued contributor at every level—corporate, franchisee, and local community. This approach not only elevates your reputation but also fosters a network of allies who are equally invested in your success. Together, these relationships create synergy, driving exponential growth and making your franchise a cornerstone of success for everyone involved.

Scenario Planning for Local Adaptability

Scenario planning helps franchisees prepare for various outcomes, such as changes in local demand, regional regulations, or economic conditions. This approach ensures that you can pivot quickly without disrupting your operations or brand compliance.

- **Anticipate Local Scenarios:** Plan for factors like seasonal demand shifts, local competition, or unexpected regulations.
- **Align Plans with Corporate Directives:** Ensure that any strategic responses are consistent with franchisor policies.
- **Review Scenarios Regularly:** Update your plans based on new corporate initiatives or local market trends.

Initially don't go too deep in this area. Your first local scenarios should look at your seasonal sales. Do you sell more during Thanksgiving or Christmas season? If so, how much more and what staffing and supply chain changes would need to be made to meet it? What's your plan for when, not if, a local competitor shows up? Will a change in regulations such as increased sales tax or a required bag tax affect your operations? If so, how will you mitigate these changes to maintain customer volume and satisfaction?

Be sure any plan you develop aligns with brand standards in any corporate initiatives. After all, we joined a franchise system to have a tried and true method to make

money, so why go outside the system?

I like to review my scenarios annually. During these reviews I look at any market, government, or corporate trends, mandates, or initiatives and tweak my scenarios. I also look holistically at other scenarios I should be planning for, staying subjective and always looking ahead.

Building a Resilient, High-Performance Team

Your team is the backbone of your franchise's success. Investing in their development and well-being ensures that they remain motivated, adaptable, and prepared to handle challenges.

- **Hire for Attitude and Adaptability:** Look for candidates who are solutions-focused, team-oriented, and resilient under pressure.
- **Prioritize Training:** Use franchisor-provided training programs and supplement them with local development opportunities tailored to your team's needs.
- **Foster a Positive Environment:** Recognize and reward resilience, teamwork, and adaptability to build morale and commitment.

For my key people, those that show resilience and adaptability, I formally recognize them for these traits and work with them to develop a career building training

plan. This plan includes everything available from the franchise and some key outside courses to fill in any gaps they may have around communication, interpersonal relationships, etc. I let them know I'm investing in them because I see great things for their futures. I've done this throughout all of my various careers, and some of my greatest joys come from watching people who worked for me growing into roles where I would have been working for them.

Positivity is not about ignoring challenges or pretending that everything is perfect; it is about approaching issues with a mindset that seeks the best possible path forward. It involves acknowledging difficulties, understanding their impact, and maintaining a constructive attitude that focuses on solutions rather than dwelling on problems. A positive approach inspires resilience, fosters creativity, and builds confidence to navigate obstacles effectively. By combining optimism with action, positivity becomes a powerful tool to face adversity head-on while keeping morale high and working toward meaningful outcomes.

Fostering Emotional Resilience and Leadership

Resilient franchisees exhibit emotional intelligence and strong leadership during challenging times. Leading with empathy, calmness, and purpose inspires confidence in your team and helps maintain a positive culture.

- **Practice Self-Awareness:** Understand how your emotions and behaviors impact your team, particularly during high-pressure situations.
- **Demonstrate Empathy:** Listen to and address team concerns, showing that their well-being is a priority.
- **Lead with Purpose:** Align your actions with both the franchisor's mission and your own vision for success, creating a sense of stability and direction.

Fostering emotional resilience and strong leadership begins with self-awareness. As a franchisee, understanding how your emotions and behaviors influence your team is essential, especially in high-pressure situations. It's natural to feel stressed or frustrated during challenges, but how you choose to respond can set the tone for your entire team. Recognizing that we decide how we feel about a situation gives you the power to shift your perspective and approach difficulties with intention. Instead of reacting impulsively, take a moment to assess your emotions and align your actions with your desired outcomes. This self-awareness not only helps you stay composed but also builds trust among your team, as they look to you for stability and guidance.

Demonstrating empathy is another cornerstone of emotional resilience and leadership. By actively listening to your team's concerns and validating their experiences, you show that their well-being matters. This doesn't mean

you have to solve every problem immediately; sometimes, simply acknowledging someone's feelings and providing reassurance can make a significant impact. Empathy fosters a culture of trust and support, where team members feel valued and understood. It also helps you make better decisions, as understanding the emotional landscape of your team allows you to address issues in a way that resonates with them. When you lead with empathy, you empower your team to navigate challenges with a sense of unity and purpose.

Leadership rooted in *purpose* is the final piece of the puzzle. By aligning your actions with the franchisor's mission, your personal vision for success, and your individual employees goals, you create a sense of stability and direction that inspires confidence. Challenges become less daunting when your team sees you leading with clarity and purpose, demonstrating that every action is part of a larger plan. This purposeful leadership reinforces the idea that setbacks are temporary and surmountable. When you decide to view obstacles as opportunities for growth and align your response with a positive vision, you not only strengthen your own resilience, but also cultivate a team culture that thrives under pressure and emerges stronger from adversity.

Embedding Continuous Improvement in Franchise Operations

Tony Robbins Continuous and Never ending Improvement (CANI) method ensures that your franchise evolves with the times, while staying true to brand standards. By regularly refining processes, products, and services, you build resilience and maintain competitiveness.

- **Use Metrics to Identify Opportunities:** Track local KPIs like sales trends, customer feedback, and labor efficiency to uncover areas for improvement.
- **Engage Your Team:** Encourage employees to suggest improvements and participate in refining processes.
- **Celebrate Small Wins:** Recognize incremental improvements to reinforce a culture of growth and adaptability.

Embedding the philosophy of CANI—Constant and Never Ending Improvement—into franchise operations ensures long-term growth and adaptability in an ever-changing business environment. By committing to continuous refinement, franchisees can evolve their processes, products, and services to stay competitive while remaining true to brand standards. This approach builds resilience, allowing the franchise to adapt to market trends and customer needs while maintaining the core values that define the brand. Rather than seeing perfection as a goal.

CANI emphasizes progress, ensuring that even small changes compound over time to create significant impact. Besides, perfection is the lowest standard because it can never be met.

To effectively implement CANI, franchisees should leverage data and metrics to identify opportunities for improvement. Tracking key performance indicators (KPIs) such as sales trends, customer feedback, and labor efficiency provides valuable insights into areas where the business can enhance performance. For example, customer feedback might reveal pain points in service delivery, while sales trends can highlight untapped opportunities. By analyzing these metrics consistently, franchisees can make informed decisions that drive meaningful, measurable change. Continuous improvement is not about sweeping transformations, but about addressing these small, actionable areas to create a smoother and more effective operation.

Engaging the team in the process is equally important to embedding CANI into the franchise's culture.

Encouraging employees to contribute their ideas for improvement not only empowers them but also brings fresh perspectives to the table. When team members feel heard and valued, they are more likely to take ownership of the changes, fostering a collaborative and innovative environment. Celebrating small wins along the way reinforces this culture of growth and adaptability,

showing the team that their efforts matter. Whether it's acknowledging an employee suggestion that streamlined a process or recognizing a team's role in achieving higher customer satisfaction, celebrating these moments keeps momentum alive. With CANI at the heart of operations, the franchise continually evolves, ensuring sustained success and resilience in the face of change.

Action Areas

Develop Contingency Plans

Identify common risks like staffing shortages or supply chain issues, outline clear response strategies, and train your team to implement them effectively.

Build Financial Reserves

Save three to six months of operating expenses to weather unexpected disruptions, ensuring stability without compromising obligations.

Cultivate Agility

Empower decision-making within defined guardrails, encourage cross-training to increase team versatility, and implement feedback loops to adapt to changes quickly.

Leverage Support Networks

Utilize corporate resources, connect with fellow franchisees for best practices, and build local partnerships to strengthen your operational support system.

Embed Continuous Improvement

Track key metrics to identify opportunities for refinement, encourage team-driven innovation, and celebrate small wins to reinforce a growth-focused culture.

An Idea Even the Experts Miss: Fostering Resilience through Purpose-Driven Leadership

One of the most overlooked drivers of resilience is a sense of purpose. A purpose-driven business has a mission that transcends profit, which can provide a powerful source of motivation during challenging times. Employees who connect with a purpose are more engaged, committed, and willing to go the extra mile, even in adversity. Purpose-driven leadership builds resilience by aligning everyone with a common cause, reinforcing their determination to persevere. When times are tough, purpose becomes the anchor that keeps your team grounded, unified, and focused on long-term impact, turning challenges into opportunities to make a difference.

What You'll Learn in Chapter 9: Crafting an Exit Strategy that Preserves Your Legacy

In this chapter, you'll discover how to craft an intentional and comprehensive exit strategy that secures the future of your business, while preserving your legacy. Learn how to define your vision for the business's future, identify and prepare successors, and document your core values and processes for seamless continuity. You'll explore strategies to safeguard financial stability, maintain brand integrity, and build trust with employees, customers, and stakeholders during the transition. This chapter also introduces the concept of a "Living Legacy" Initiative—a dynamic approach to embedding your values and vision into the company's culture, ensuring your impact endures long after your exit.

“Begin with the end in mind.”
— *Stephen R. Covey*

“Legacy is not what you leave for
people. It’s what you leave in them.”
— *Peter Strople*

“Timing, preparation, and clarity. The
difference between a graceful exit and a
costly collapse.”
— *Mike DeJong*

Chapter 9: Crafting an Exit Strategy that Preserves Your Legacy

One of the most profound responsibilities of an owner is crafting a seamless, impactful exit strategy that secures the future of the business. Exiting isn't simply about walking away; it's about preserving what you've built, ensuring your legacy, and setting up the business for continued success without your day-to-day involvement. A successful exit strategy is intentional, comprehensive, and deeply personal. It's not merely a "handover"—it's the final chapter of your legacy as an owner. Done right, it ensures that your mission, values, and vision endure, empowering future generations, whether they be family members, key employees, or new owners.

An exit strategy isn't a backup plan; it's a carefully crafted roadmap that influences your business decisions long before the day you step away. It ensures stability, clarity, and continuity, guiding the company into the future with resilience and purpose. As you develop your exit strategy, think about it as a legacy-building exercise that honors what you've created and protects the business you leave behind.

I strongly believe that if you don't have an exit strategy, all you've done is buy a job. So run your business like you can sell it tomorrow and it will make money for you for years to come!

Why a Thoughtful Exit Strategy is Non-Negotiable

A well-planned exit strategy is essential for multiple reasons. First, it provides financial security for you and your family. Second, it ensures your employees and customers are not disrupted by sudden changes. Lastly, it preserves the values, culture, and unique characteristics that define your brand. A rushed exit or an inadequately prepared transition can lead to chaos, missed opportunities, and the erosion of everything you worked to build. Crafting your exit thoughtfully gives everyone involved the time and clarity they need to adapt and thrive.

In 2024 only 30% of small businesses for sale will be able to sell. This is largely due to their lack of an exit strategy.

Define Your Ultimate Vision for the Business's Future

Before diving into the details of your exit, it's essential to envision the future of the business without you. What do you want it to look like in five, ten, or twenty years? Do you hope it will remain family-owned, continue as a

franchise, or transition to employee ownership? Define what “success” means after your exit and let that shape every decision you make in your transition strategy.

- **Clarify Your Desired Outcomes:** Decide on the non-negotiable aspects of your vision, such as culture, brand reputation, or community impact.
- **Envision New Leadership:** Consider the type of leaders you’d like to see in charge—those who embody your values and understand the core mission.
- **Align with Family or Successors:** If family members or successors are involved, communicate your vision to ensure they share and understand it.

Employee Stock Ownership Plan (ESOP)

An Employee Stock Ownership Plan (ESOP) is an effective and increasingly popular exit strategy for business owners who want to ensure their company’s longevity while rewarding the people who helped build it. Unlike traditional sales or transitions to external buyers, an ESOP transitions ownership to your employees, giving them a vested interest in the company’s future. This approach offers a variety of financial, cultural, and operational benefits that make it a compelling choice for planning your exit.

One of the most significant advantages of an ESOP is

its ability to preserve the legacy and mission of the business. By transitioning ownership to employees, you maintain the culture, values, and vision that have been integral to the company's success. Employees with a stake in ownership are naturally more invested in upholding the brand's reputation and ensuring its long-term viability.

ESOPs also enhance employee engagement and retention. When employees have an ownership stake, they gain a sense of pride and responsibility that drives collaboration, innovation, and a focus on long-term success. This structure serves as a powerful tool for retaining top talent and reducing turnover, as employees directly benefit from the company's growth and profitability.

For business owners and the company, ESOPs provide significant tax advantages. Owners selling to an ESOP can often defer or avoid capital gains taxes if the business is a C corporation and proceeds are reinvested in qualifying securities. The company benefits as well, as contributions to the ESOP are tax-deductible, and profits generated by S corporations owned by ESOPs are not federally taxed, improving financial performance and sustainability. (Check with your accountant for more a benefit analysis of using a C-Corp vs S-Corp vs LLC vs many other corporate structures in the daily operations of your business)

ESOPs also create a smooth transition for business owners. They allow for a gradual transfer of ownership, enabling

owners to step away at a comfortable pace while mentoring the next generation of leaders. Since employees already know the business, transitions are less disruptive compared to selling to external buyers or private equity firms, preserving institutional knowledge and customer relationships.

Another major benefit is job protection and the creation of community wealth. Unlike sales to external buyers, which may result in downsizing or relocation, ESOPs safeguard jobs and keep operations stable. Employee ownership fosters a long-term perspective on the business's success, benefiting employees and maintaining local economic contributions. By giving employees equity, ESOPs also provide greater financial stability for workers and their families, strengthening the community.

ESOPs offer flexibility for owners by allowing the sale to be structured to meet personal financial goals, whether through an immediate buyout or a phased transition. This ensures the exit strategy aligns with both the owner's needs and the business's financial health. Research shows that employee-owned companies often outperform their non-employee-owned counterparts in profitability, productivity, and customer satisfaction, as employees are more accountable and motivated to drive business performance.

Finally, ESOPs provide a built-in solution for succession planning, a challenge many small and mid-sized businesses face. By transferring ownership to employees, you create leadership continuity, maintaining stability

and ensuring the business's ongoing success. For business owners who prioritize their team and community, an ESOP offers a unique opportunity to balance personal financial goals with the long-term sustainability of the company. It is more than just an exit strategy—it is a path to shared prosperity and a legacy of enduring impact.

The only potential downside I see to an ESOP is most companies that offer the service won't touch you until the business is valued at \$20 million, but there are exceptions. It's always worth a conversation and I'd recommend talking to the folks at Exit Strategy Mastery (info@exitstrategymastery2.com).

Identify and Groom Successors Early

If not for sale, a critical part of any exit strategy is ensuring there's someone capable of stepping into your role. Identifying and grooming successors well in advance allows you to guide their growth, share your knowledge, and test their readiness. Whether it's a family member, a key employee, or an external hire, start the succession process early to ensure a seamless transition.

- **Evaluate Candidates Carefully:** Assess potential successors for their skills, leadership qualities, and alignment with the company culture.

- **Create a Formal Development Plan:** Implement a structured plan to help your successor acquire the knowledge and skills necessary for the role.
- **Gradual Transition of Responsibilities:** Gradually hand over responsibilities to your successor, allowing you to mentor them through real challenges.

Document Core Values, Mission, and Processes

One of the greatest risks of an exit is the dilution of your company's values and culture. Prevent this by documenting the core principles, practices, and traditions that have been instrumental to your success. Written documentation serves as a guidebook for future leaders, ensuring the business operates in ways consistent with your vision.

- **Compile a Values and Culture Handbook:** Outline the core values, expectations, and cultural nuances that make your business unique.
- **Detail Key Processes and Protocols:** Ensure essential processes are thoroughly documented to avoid operational inconsistencies.
- **Include Legacy Stories and Lessons Learned:** Pass down anecdotes, experiences, and lessons that reinforce the brand's identity.

Establish Financial Goals and Safeguards for Transition

Financial security is one of the most vital aspects of a successful exit strategy. Whether you're selling the business, transitioning ownership, or retaining partial equity, ensure that your financial needs—and the business's—are safeguarded. Planning for financial continuity protects the company from unexpected disruptions and provides you with the peace of mind that your legacy is protected.

- **Determine Your Exit Financial Requirements:** Calculate what you need from the business to retire comfortably and provide for your family.
- **Set Aside Emergency Funds:** Ensure the business has sufficient reserves to navigate the transition smoothly.
- **Establish Financial Controls:** Put in place clear financial policies to prevent reckless spending or asset depletion during the transition.

Create a Leadership Transition Plan

A well-designed leadership transition plan minimizes disruptions and builds trust with employees, customers, and stakeholders. This plan should outline timelines, responsibilities, and goals for everyone involved in the transition, ensuring clarity and accountability. Regular communication throughout the transition reduces uncertainty, reassures stakeholders, and fosters confidence in future leadership.

Develop a Phased Transition Timeline: Outline key milestones, such as the gradual handover of responsibilities or the announcement of the new leader.

- **Set Clear Success Metrics:** Define performance metrics for the new leader, helping them stay aligned with the mission and goals.
- **Prioritize Open Communication:** Keep employees, customers, and partners informed to maintain stability and transparency.

Preserve Key Relationships

A significant part of your legacy is the relationships you've cultivated with customers, suppliers, community partners, and other stakeholders. Your exit plan should include strategies for maintaining these relationships, ensuring they continue to support the business long after your departure.

- **Introduce Successors to Key Contacts:** Begin involving your successor in meetings and communications with essential contacts.
- **Create Relationship Transition Plans:** For each key relationship, develop a plan to facilitate a smooth handover.
- **Demonstrate Continued Commitment:** Assure stakeholders that your values and standards will remain intact, reinforcing confidence in the business's future.

Emphasize Brand Integrity and Continuity

Your exit strategy must prioritize brand integrity, ensuring that future leaders honor the promises and standards that define your business. This involves clearly outlining the expectations around brand messaging, customer experience, and quality standards. By establishing clear brand guidelines, you empower new leaders to maintain a consistent experience for customers and uphold the values that built your reputation.

- **Establish Non-Negotiable Brand Standards:** Define core brand standards that cannot be compromised, such as customer service principles or product quality benchmarks.
- **Provide Training on Brand Values:** Ensure that successors and managers are well-versed in the brand story, values, and promises.
- **Suggest Conduct Brand Consistency Audits:** Regularly evaluate operations and marketing to confirm they align with the established brand identity.

Ensure Legal and Regulatory Compliance

An overlooked aspect of many exit strategies is regulatory compliance, which can complicate the transition if not managed properly. Your exit plan should include a thorough review of legal obligations, contracts,

and compliance requirements, reducing the risk of liabilities post-exit.

- **Consult Legal Advisors:** Engage legal experts to review contracts, intellectual property rights, and compliance obligations.
- **Prepare Transfer of Ownership Documentation:** Ensure all necessary legal paperwork for the transition is prepared and executed.
- **Verify Contract Continuity:** Check that contracts with clients, suppliers, and partners are transferable, renewable, or cancellable under the new leadership.

Communicate Your Legacy to Employees

Your team has been a core part of your journey, and they deserve transparency, clarity, and encouragement as you plan your exit. Communicate openly with employees about your vision for the business's future and reassure them that the legacy you've built will endure. Engaging employees in the transition process ensures they feel valued and reduces anxiety, helping them to embrace and support the new leadership.

- **Host Legacy and Vision Meetings:** Hold meetings to discuss your legacy, address concerns, and inspire confidence in the future.
- **Highlight Career Development Opportunities:** Provide pathways for growth within the company, showing employees that their future is secure.

- **Celebrate Contributions and Team Loyalty:**
Recognize employees who have been instrumental in building the business, reinforcing their connection to the legacy.

Action Areas

Define Your Vision for the Business's Future

Determine the long-term goals for your business, such as remaining family-owned, transitioning to employee ownership, or selling, to direct and shape your exit strategy.

Identify and Groom Successors

Begin developing capable successors by evaluating potential candidates, creating a structured development plan, and gradually transferring responsibilities.

Document Core Values and Processes

Create a handbook detailing your business's mission, values, and operational procedures to guide future leadership in maintaining consistency.

Establish Financial Safeguards

Determine your financial needs for retirement, set aside reserves for the business, and implement controls to ensure a stable transition.

Communicate Your Legacy to Employees

Engage your team by sharing your vision for the business,

recognizing their contributions, and involving them in the transition to foster support and loyalty.

An Idea Even the Experts Miss: Building a “Living Legacy” Initiative

One of the most powerful but often overlooked components of an exit strategy is the concept of a *Living Legacy* Initiative. Unlike a static legacy plan, a Living Legacy is a dynamic program that actively integrates your values, story, and vision into the company’s ongoing culture and operations after your departure. This initiative serves as an evolving testament to your influence and encourages future generations within the business to build upon the foundation you’ve laid in meaningful ways.

A Living Legacy Initiative is more than a policy; it’s a culture-building mechanism. It can include practices like establishing an annual “Founder’s Day” where employees and leaders reflect on the business’s core values, running mentorship programs that connect new employees with seasoned team members who understand the business’s history, or creating a “Legacy Fund” that supports employee-driven projects aligned with the company’s mission. This initiative keeps the spirit of your leadership alive, while also giving future leaders the opportunity to contribute to the legacy with fresh ideas and new energy.

Conclusion: Transform Insights Into Action

In this journey of self-discovery, transformation, and impact, we've explored the principles, practices, and mindsets that redefine what it means to grow—not just incrementally but exponentially. Every challenge faced, every decision made, and every strategy implemented has been a testament to the unyielding power of intention and innovation. Whether navigating uncertainty, crafting a lasting legacy, or driving customer-centric growth, the themes woven through this narrative serve as a guide for leaders committed to transcending limitations.

Yet, the greatest obstacle to growth often lies not in external circumstances but within—the fear of failure, the weight of uncertainty, and the paralysis of overthinking. But here's the truth: action is the antidote to fear. The path to success is forged not by waiting for the perfect moment but by starting exactly where you are, with what you have, and refining as you go. Every step forward, no matter how small, chips away at doubt and builds the momentum needed to conquer even the loftiest goals.

True success is measured not by what is achieved but by what is inspired, catalyzed, and left behind. It's about building systems that endure, creating cultures that uplift, and forging paths where others saw obstacles. By integrating clarity with creativity, resilience with adaptability, and purpose with action, you stand poised

not only to lead but to redefine the very landscape of your endeavors.

So, let this be your rallying cry. Fear fades when action begins. As you move forward, bring with you the relentless pursuit of excellence, the courage to innovate, and the unwavering belief that every action you take today shapes a tomorrow that reflects your vision. This is not just the end of a chapter but the beginning of a legacy that will resonate far beyond your tenure. Seize it. Build it. Live it.

Roadmap: From Operator to Owner

This roadmap is designed to walk you through the exact journey from being a reactive operator to becoming a true strategic owner. Every stage builds on the last, and how seriously you commit to this process will determine how much freedom, profit, and sanity you gain.

Each section includes a place to write your start and finish dates — use them. Setting deadlines creates structure and urgency.

You'll also find a place to set a **reward** for completing each stage. This is critical. Human behavior is driven by outcomes — and if your brain doesn't associate effort with a feeling of progress or pleasure, you're more likely to quit. A reward doesn't have to be expensive. It could be a night off, your favorite meal, a weekend away, or time with someone you love.

But make it something you look forward to. **Link accomplishment to pleasure** — and you'll begin rewiring your mind to chase execution instead of procrastination.

After each stage, actually claim your reward. That completion energy will carry you into the next one.

Start Date: _____

Target Completion Date: _____

STAGE 1: The Awakening — Identify Your True Role

Objective: Get radically honest about whether you're operating or owning.

Tasks:

1. Complete the "Owner vs. Operator" self-assessment.
2. Journal what you learn — where are you in denial?
3. Write a paragraph titled: "Why I must stop being the operator."
 - Describe in vivid detail what your life looks like 5 years from now **if nothing changes**—the stress, exhaustion, and missed opportunities.
 - Then write what your life could look like **if you take full ownership**—freedom, leverage, pride, and time with your family.
4. Share your realizations with someone you trust—say it out loud.
5. Choose and write down one daily habit you'll change immediately to move toward owner mode.

Start: _____ Finish: _____

Reward: _____

STAGE 2: Mindset Mastery — Shift Into Visionary Mode

Objective: Transform how you think about leadership, ownership, and yourself.

Tasks:

1. Define your personal and business "Why."
2. Visualize and describe your ideal future as a true owner.
3. Commit to the 100/0 ownership mindset — write it, sign it, post it.
4. Write down 3 limiting beliefs holding you back — then reframe each one.
5. Create a “Future Self” letter — who are you 12 months from now?

Start: _____ Finish: _____

Reward: _____

STAGE 3: Systems Build — Automate the Chaos

Objective: Document and implement key processes to create freedom.

Tasks:

1. Identify the top 5 tasks you touch every day and create SOPs.
2. Pick one and delegate it completely — then track results.
3. Build a Knowledge Base: Google Drive, Notion, or OneDrive.
4. Pilot and refine every process before scaling.
5. Interview a team member and ask where *they* need a system to thrive.
6. Implement a recurring process review rhythm (monthly or quarterly).

Start: _____ Finish: _____

Reward: _____

STAGE 4: Leadership Factory — Build a Team That Leads Themselves

Objective: Empower team members to lead with confidence.

Tasks:

1. Identify 2 people with leadership potential.
2. Have development conversations and build them a plan.
3. Start a mentorship or peer-leader check-in rhythm.
4. Let go: Delegate one key decision permanently.
5. Establish a "No Rescue Rule" — let them make and learn from decisions.
6. Host a short weekly leadership huddle with emerging leaders.

Start: _____ Finish: _____

Reward: _____

STAGE 5: Metrics & Financial Mastery — Know the Score

Objective: Become a data-driven, cash-wise business owner.

Tasks:

1. Choose 3 core KPIs that matter — review weekly.
2. Create a cash flow forecast 8 weeks out.
3. Review profitability by location or product monthly.
4. Set 90-day goals using data, not hope.
5. Set up a visual dashboard for your top 3 metrics.
6. Meet with your bookkeeper or CFO monthly — ask: “What am I missing?”

Start: _____ Finish: _____

Reward: _____

STAGE 6: Culture & Team Energy — Hardwire the Vibe

Objective: Build a place people are proud to work.

Tasks:

1. Define your 3–5 core values — involve your team.
2. Start each meeting with wins & recognition.
3. Build feedback loops (surveys, check-ins, suggestion box).
4. Use cultural KPIs to track team health.
5. Ask 3 team members privately: “What’s one thing we can do to improve culture?”
6. Create a Culture Ritual — a habit that reinforces your values weekly.

Start: _____ Finish: _____

Reward: _____

STAGE 7: Customer Engine — Build Loyalty Machines

Objective: Turn customers into raving fans.

Tasks:

1. Document your Customer Service Recovery System.
2. Audit your customer journey — where do people get frustrated?
3. Add one automation to improve speed or delight.
4. Set up monthly feedback and follow-up rhythms.
5. Identify one part of your customer experience you can surprise and exceed expectations.
6. Train your team on “Make it right” principles — and let them own it.

Start: _____ Finish: _____

Reward: _____

STAGE 8: Resilience & Adaptability — Become Anti-Fragile

Objective: Build a business that bends but never breaks.

Tasks:

1. Write a personal "Worst Case / Recovery" playbook.
2. Identify one area where you're too rigid — and build a flexible system.
3. Set a quarterly "What If" brainstorming session with your team.
4. Train 2nd-tier backups for every critical role.
5. Create a "Contingency Binder" — include logins, vendor contacts, SOPs.
6. List 3 crises you've survived — and what they taught you.

Start: _____ Finish: _____

Reward: _____

STAGE 9: Legacy & Exit Readiness — Own the End Game

Objective: Make sure your business can live and grow without you.

Tasks:

1. Define your exit strategy: Sell? ESOP? Next-gen family?
2. Identify and groom a successor.
3. Document your brand, culture, and legacy in a Founder's Handbook.
4. Set a transition timeline — even if it's 5 years away.
5. List your "non-negotiables" — what *must* be protected after you're gone.
6. Schedule a quarterly “future-proof” review with your key team.

Start: _____ Finish: _____

Reward: _____

FINAL DECLARATION

On this date, I completed the Grow Smart Roadmap and earned the right to live like an owner:

Completion Date: _____

How I Celebrated: _____

My Next Goal: _____

Glossary of Terms

A–C

Accountability – Taking full ownership of outcomes without blaming others. A foundational element of leadership and culture.

Automation – Using technology or systems to perform repetitive tasks, increasing efficiency and reducing human error.

Break-Even Point – The amount of sales required to cover all expenses. Anything sold beyond this point is profit.

Cash Flow – The actual movement of money in and out of your business. Not the same as profit.

Churn Rate – The percentage of customers who stop doing business with you. A key customer retention metric.

COGS (Cost of Goods Sold) – Total cost of ingredients, supplies, or materials directly tied to producing your product or service.

Core Values – A set of non-negotiable guiding principles that define your company’s character and culture.

CPS (Cost Per Sale) – Total cost (labor, product, overhead) to complete a single transaction. Crucial for pricing correctly.

D–G

Delegation – The act of assigning responsibility for a task or decision to someone else with clarity and trust.

EBITDA – Earnings Before Interest, Taxes, Depreciation, and Amortization. A measure of your company's operational profitability.

Elevation Effect – The compounding power of delegation, leadership, and systems. One hour of your time creates 10X results.

Exit Strategy – A defined plan for how you will eventually leave, sell, or step back from the business.

Fire Chief Syndrome – When you're constantly putting out fires instead of building systems to prevent them. Keeps you trapped in operator mode.

Foggy Dashboard – When you're running your business without real-time data or KPIs. You're flying blind, and every decision is guesswork.

Forty-Two Principle – A nod to Douglas Adams. Numbers matter—but only if you're asking the right questions.

Franchise Fee – Ongoing fees paid to your franchisor for use of their systems, support, and brand.

Ghost Business – A company that can't function without you. Looks alive from the outside, but disappears without your direct involvement.

Grassroots Marketing – Low-cost, community-focused strategies to build awareness and drive local traffic.

H–M

Harry Potter Effect – When your team follows systems so well it looks like magic to outsiders. But it’s just well-documented SOPs and leadership. Your business becomes Hogwarts.

Inventory – The total stock of raw materials, goods in progress, and finished products your business maintains.

KPI (Key Performance Indicator) – A measurable value that shows how well you’re achieving key business goals.

LTV (Lifetime Value) – The projected total revenue a customer brings during their entire relationship with your business.

Margin – The difference between what you sell something for and what it costs you. High margins = strong profit.

Micromanagement – Overseeing every small task or decision, which leads to bottlenecks and low employee autonomy.

N–R

Net Profit – What remains after subtracting all operating expenses, taxes, and fees from revenue. The true bottom line.

Operating Cash Flow – The cash generated from day-to-day business operations, not including financing or investments.

Operator’s Mindset – A reactive, task-driven approach where the business owner is stuck in daily execution.

Owner’s Mindset – A strategic perspective focused on scalability, systems, delegation, and vision.

Reward Loop – The brain’s mechanism for locking in new behavior. Set a task. Crush it. Reward yourself. Repeat.

S–Z

Scalability – The ability of your business to grow without breaking systems or burning out your team.

SOP (Standard Operating Procedure) – A detailed document that explains exactly how to complete a task or process.

Systemization – Building and documenting processes so tasks can be repeated by others, with consistent results.

Topline Revenue – Your total income before expenses. Also known as gross sales.

Visionary Leadership – Guiding your team and business with big-picture thinking, clarity, and long-term planning.

White-Knuckle Scaling – Trying to grow without infrastructure. Feels heroic. Ends in burnout.

About Mike DeJong

What if you could finally break free from the day-to-day chaos of your business—and start living the life you thought you were building from the beginning?

Mike DeJong knows that question all too well. He spent years buried in operations, solving everyone else's problems, and wondering why more growth just brought more stress. Like so many entrepreneurs, he thought working harder was the answer. Until it almost cost him everything.

Before franchise ownership, Mike worked in high-pressure ops for a Fortune 500 company and traveled the world as an engineer and commercial pilot. But nothing tested him like building businesses that *actually run without him*.

Today, he's a multi-unit, multi-state franchise owner, turnaround specialist, and systems thinker who's helped others escape the same trap he lived through. He's been 60 days from bankruptcy. He's taken calls from his team in the middle of vacations. He's scaled too fast, opened too soon, and been the bottleneck in his own business.

Now? He helps owners build what he finally figured out: **a business that serves your life—not consumes it.**

Through frameworks, culture work, and operational systems, Mike helps owners:

- Step back without losing control
- Scale without losing their mind
- And exit without regret

A Tony Robbins Platinum Partner and no-BS coach to franchisees across the U.S., Mike's built a reputation for turning complexity into clarity—and burnout into freedom.

If you're still stuck in the grind... he gets it.
And if you're ready to break out of it... he'll show you how.

He wrote this for the version of you that's tired of pretending it's fine.

STOP BEING THE BUSINESS. START BUILDING ONE.

Your business isn't broken. But the way you're running it is.

You're the one everyone depends on. The first one in, the last one out. Always plugged in, always "on." You're making sales, putting out fires, and carrying the weight of everything—while telling yourself, "This is just what it takes."

But what if it's not? What if the grind isn't a badge of honor, but a warning sign? What if working harder isn't the answer—but the actual problem?

In **Grow Smart**, Mike DeJong hands you the blueprint he built in the aftermath of almost losing everything. After scaling too fast, watching profits vanish, and nearly burning out completely, he made one shift that changed everything: **He stopped operating his business—and started owning it.**

Inside, you'll learn how to:

- Build systems that don't require your constant presence
- Empower people to solve problems without you
- Scale without slipping into chaos
- Step away without the fear of things falling apart

This isn't business theory. It's a war journal—turned playbook. If you've built something you care about... but it's slowly swallowing your time, your freedom, and your peace of mind—this book is for you.

You don't need to hustle harder. You need a better design.

"I didn't write this from a pedestal—I wrote it from the edge of collapse."

—Mike DeJong



ABOUT THE AUTHOR

Mike DeJong didn't grow up dreaming of owning franchises—he started out flying commercial planes and solving engineering problems around the world. But nothing tested him like entrepreneurship. After nearly losing it all to overwork and burnout, he rebuilt from the ground up. Today, he owns multiple thriving franchise units and helps other business owners do what he finally learned to do: build a business that doesn't depend on them to survive.



GROW FAST!
SMART!

Your Path to Freedom

Mike DeJong

GROW FAST! SMART!

Your Path to Freedom:
Master the Transition from
Operator to Owner

Part of the
**Freedom: Operator
to Owner Series**
Get Your Roadmap
Now!

Mike DeJong