

# How to fix a business even if it's not broken

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Houston, TX

Lin Giralt  
713 447 1443  
admin@lambdainternational.net.



I have learned quite a lot about fixing and improving businesses. There is always something to fix even if it's not 'broken'. I have classified these into five areas

- *Your time involvement*
- *Your compensation and take home income*
- *Eventual transition and 'exit strategy'*
- *About your risk and ability to 'sleep at night'*
- *About your overall satisfaction*

Read on and see which ones apply to you.

# *Your time involvement*



- Are you spending much over 60 hours per week on your business?
- If so, be aware that a recent study by University of Manchester researchers indicate that people who work over 60 hours a week can **DOUBLE** their risk of a heart attack due to excess stress and lack of sleep.
  - If you are around that threshold, then it may be time to review what you do in those 60 hours and how to delegate some of those activities to others so you can take better care of yourself.
  - You may feel fine and really enjoy what you do, but “Moderation in all things” applies to work as much as play.
- <http://www.dailymail.co.uk/news/article-127119/Heart-attack-risk-work-60-hour-week.html#axzz2KPkre6cK>



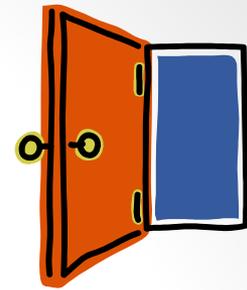
## *Your compensation and take home income*



- The Houston Chronicle recently reported that for Small Business Owners, *“Those with more than 10 years experience, on the other hand, earn upwards of \$105,757 per year.”*
  - Although the range varied according to industry, location and experience, if you are making 50% or less than this then it certainly appears wise to reflect on your current business and whether it is worth it.
  - A recent article in this very magazine has tips on how to increase revenue (<http://jfaconsultingbiz.com/50-ways-to-increase-revenue/>).
- You may also want to contact your local Small Business Development Center or SBA’s SCORE to gain some insight into how to improve your business.
  - These are generally free resources. You may be worth more in another business or taking on a job.
  - Very likely the entrepreneurial experience you have gained will translate into the ability to generate income in another activity.
- \* <http://smallbusiness.chron.com/average-income-small-business-owners-5189.html>



## *Eventual transition and 'exit strategy'*



- If you have reached age 50 and above then it is time to think about the eventual 'transition' of your business to either your heirs or a potential buyer.
- While there are many key elements to think about, two seem to be particularly important and actionable:
  - 1) Make sure your books are in order- if you have been lazy about good bookkeeping, now is the time to change. Talk to your bookkeeper or accountant about how to change and improve transparency. You will be very glad you did this when, in the future, you are talking to a prospective buyer.
  - 2) Review the profitability of your products or services: Take your most important products or services and compare what you charge to their direct costs, plus any indirect or administrative costs if these are significant. Any products that are below the average in margin or profitability need to have their price or cost structure examined. You may discover that inflation has impacted some items more than others and that your pricing has not kept up with those changes.



## *About your risk and ability to 'sleep at night'*



- Few business owners sleep well all the time.
  - Is the business overly dependent on you?
  - Have you trained others to take on your responsibilities?
  - Are you too dependent on one product or client?
  - Does your business have too much debt?
  - Is it simply not profitable?
- These are some of the typical risk factors and those that impact your ability to sleep at night.
- Whatever bucket your risks are in, take charge and confront them head on.
  - Do not do this alone: talk to family members, associates, other peer business owners, your accountant or lawyer.
  - Directly or indirectly all these are stakeholders in your firm because of their relationship to you. \
  - Act now and sleep better tomorrow.



## *About your overall satisfaction*



- The bottom line is: are you happy?
  - If not, then you must act and act now. Reflect honestly on what bothers you.
  - This is no time for John Wayne machismo or British stiff upper lip.
  - If you are not happy in your business, admit it to yourself and start taking the steps needed to fix it. You have nothing to lose but your dissatisfaction.
- Few businesses cannot be improved or their problems solved.
  - It starts with recognizing problems and then seeking out the network and sources of help to fix these problems
- Even if a business is not ‘broken’ (or broke) few run so well that there are no areas for improvement.
  - This can be a long process, often it is hard to do it alone, *but it always has to start with you – the owner.*



THANK YOU VERY MUCH

LIN GIRALT

[ADMIN@LAMBDAINTERNATIONAL.NET](mailto:ADMIN@LAMBDAINTERNATIONAL.NET)

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