



## Route to Profits™

November 2008

*Sometimes all you need is a little direction...*

### Use Your Sustainable Competitive Advantage to Grow Your Business

The last few months we have all had plenty of distractions like the stock market fluctuations, Hurricane Ike, and the elections. With all of these real life and important events, it is easy to be distracted from your core business and what it is that makes your company great.

If you are like most entrepreneurs, you started your company because you saw an opportunity in the market, developed a plan to capitalize on that market and put a team together to implement your plan. Do you remember how focused you were at that time, how you would not let anything distract you from your goal, your dream? You communicated effectively with your staff, everyone knew what was at stake and they inherited your enthusiasm and made it happen.

Then what happened? It worked! Your business took off and you started making money at what you loved doing. As your business grew; distance started to grow between you and the people that make things happen every day in your business. Communication started

to breakdown and before long, your business became the “job” you left to start your own business.

So how do you get your business back on track? How do you get your employees energized about your plan for the business?

### What is your Sustainable Competitive Advantage (SCA)?

### Strategic Planning Model



The overall rule is to keep it simple. Start with what makes your business unique. What separates you from your competition and makes your clients keep coming back for more? Assemble your management team and start listing all the things that made your company great. Is it service? Technical know how? Quick delivery? Unique product? Whatever it is, expand on it and figure out a way to make it even better.

### Use the SCA to Drive Marketing

When you have your SCA firmly in mind; use that SCA to drive your marketing efforts. Let the world know why they should hire your company and buy from you. Let your light shine. Many companies



make the mistake of not reaching out when times are hard. Certainly, you need to be smart about your dollars, negotiate for better rates with your vendors, but don't stop marketing during downtimes, when consistency is most important.

### Structuring Operations

Now that you have identified your SCA and used it to drive your marketing efforts, think about how your operations need to be structured to deliver on the promise you have made to the market about your company. Therefore your operations will be driven by your marketing plan. Again, with your management team, take a hard look at your operations and list the ideas of what could or should be done to improve your operations. This will ensure that your business becomes known as the company that keeps its promises to their clients or customers.

Since your SCA drives your marketing plan, and the promise your marketing plan made to the market drives your operations, is there anything else that drives your operations? You can probably guess it is your people, your innovation, your technology and capital to make it all happen.

### Making the Needed Changes

With that in mind, the obvious question is, what changes do we need to make in innovation? What procedural changes should be in place to make our product or service flow more easily from order to delivery? Are there problems in our sales process needing improvement? Are there

changes or improvements in software that can assist us? Do I have access to timely and accurate information from my financial system that allows me to make good decisions?

More importantly for the next several months, do I have the capital I need to run my business effectively?

Undoubtedly, money will be tight during this downturn and you will need to stick to a budget. You may need to make some tough decisions over the next few months. Remember, communication is the key. Stay in communication with your bank, your employees, and your shareholders or partners. Access to capital and a strong economy may have hidden inefficiencies in your business. Now is the time to address those inefficiencies.

I hope that this exercise will help you focus on what is important in your business and get back to basics. Our next issue of *Route To Profits™* will detail how to use a one page plan to aid in implementation process. Stay tuned!

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