

# Welcome!

Turning Your Technical Know-How  
into Entrepreneurial Success

# Your Speakers Tonight

- **Al Lipper**

- Business Coach & Consultant
- Former CEO of Automotive Engineering Company
- Former Cal Poly Faculty Member in both Business and Engineering

- **Aurora Lipper**

- Marketing Expert
- Mechanical Engineer
- Former Cal Poly faculty member in Engineering

# Activity

- Find a partner (someone you don't really know)
- Introduce yourself & Tell each other what your company does
- Take turns answering the question "What are two significant challenges you are currently facing in your business?"
- Talk for 3 minutes, then switch

# Big-Picture Planning

- Success Secrets
- Black-box business
- Strategic planning
- Tactics
- Marketing

# Success Secret #1

- Find someone else who is doing what you want to do, AND who successful at it. Then model them.
  - Can be a person, company or model (book, manual, Internet, etc.)

# Success Secret #2

- Write It down!
- When we keep details in our head, we waste time, energy and money
  - To do lists
  - Business ideas
  - Pro's & Cons of decisions
  - Mapping out plans
- "It only takes twice as long to take the shortcut"

# Can you relate to any of these?

- Are you not sure where your company will be in 5 years?
- Have you ever spent lots of time & money on projects that never seemed to end?
- Do you find yourself running in 100 different directions at once?
- Do you find that you're not sure what you should be spending your time on at any given moment?
- Have you ever had an employee do an unimportant project because you just needed to fill their time and couldn't think of anything more important at the moment?
- Have you ever found yourself accepting special projects from customers, then regretting it because it they take too long or lose money, or you're just not set up to do them?
- Do you find that you are the indispensable kingpin in your company, and you can't even go on vacation without things grinding to a halt?

# Most businesses are like a Soda Machine

- Stuff goes in:
  - Soda (\$0.25/can)
  - Soda Machine Rental (\$100/month)
- Stuff comes out:
  - Cash (\$1.25/can, 20 cans/day, 600 cans/mo.)
- Cash profit after paying for soda and rental:

**\$500 per month profit**



# Our Experience...

- Not clear what is profitable, what isn't
- Cash flow is often a problem. But you're not sure how to make more.
- Spend time in lots of places, but don't have a clear idea of what tasks make money and which don't – it just seems like they all need doing.
- We hire people when we get overwhelmed, we don't have time to train them. They learn as they go along and often do a mediocre job.

# Business as a Machine

- You know exactly which projects and areas of sales should be making money
- You know how much they should be making
- Everyone knows their role in the company
- You can eventually hire someone else to take over your position

# Four types of Business Activities

1. Revenue generating
2. Revenue supporting
3. Contribution & Charity (Often disguised as revenue support or generating)
4. Recreation and Fun (Often just cool stuff that does nothing to generate revenue)

# Strategies

- A “strategy” is a way your company makes money.
  - Most small businesses just have a few
  - More than this and you may be losing money on them or not have time to complete them

# Examples of Strategies

1. A restaurant might have 3 big-picture strategies:
  - They serves sit-down meals
  - They have a bar
  - The provide catering for weddings and other events
2. An industrial automation company:
  - They buy products wholesale and re-sell them to customers at a profit.
  - They buy products wholesale, customize them for individual customers and re-sell them.
  - They provide on-site efficiency assessments for automated factories.

# Strategic Planning

- A detailed strategic plan will outline each strategy and provide big-picture direction for completing it
- Driving trip metaphor - A strategic plan is like planning a cross-country trip on a map
  - You select your route and what places you'll pass through or visit, but that's about it.
  - There are many details to the trip that are not addressed in this level of planning.

# Strategic Plan Examples

- The restaurant which has a bar might have details of that particular strategy such as:
  1. Maintain a sports bar environment (décor, many TV's, etc.)
  2. Advertise in local publications
  3. Serve primarily beer, basic mixed drinks and basic hard alcohol (no fancy drinks).
  4. Serve appetizers and meals (from restaurant section)
  5. Sponsor local sporting events
  6. Rent facility for private sports-oriented parties

# Tactics

- A tactic is a day-to-day task that makes a strategy happen.
- Strategies don't really generate concrete results – they are just the plan.
- Tactics generate results.



# Tactics Illustration

## Driving Trip Analogy:

- Tactics are concerned with what lies ahead within the next 100 yards. Such as:
- Expected things
  1. Slowing down for traffic ahead
  2. Reading a sign
  3. Turning off at an exit
  4. Getting gas
  5. Finding a motel to spend the night
- Unexpected things
  1. Getting a flat tire fixed
  2. Taking a detour

# Tactics Example

For the restaurant with the sports bar, tactics might include:

- Maintain a sports bar environment (décor, many TV's, etc.)
  1. Have 7 TV's. 5 showing most popular game, 2 showing alternate games.
  2. Collect and display banners from national and local teams
  3. Have mugs, glasses, menus, placemats, etc. show logos of sports teams
  4. Have staff wear sports team uniforms
- Advertise in local publications
  1. Put 2" x 4" ad in Sunday sports section each week
  2. Have 3 local newspapers that list local sporting events mention us for every event we sponsor. Update this monthly.
  3. Have half-page ads in sports section for 3 days prior to major games (World series, Superbowl, etc.)

# Putting It All Together

- Lets you determine *what* is most important to be doing at any given moment:
  - “Does this activity generate or support revenue?”
- Allows you to clearly define roles and responsibilities for your employees
- Keeps you from spending time on things that don't generate revenue
- It is an investment
  - Takes time up front
  - Reduces expenses in longer term
  - Increases profits in longer term
  - Reduces your workload in longer term
  - Reduces your stress level

# Doing It Yourself

- What are the primary ways your company makes money?
- For each of these, what strategic details (big-picture things you do) make them happen?
- For each strategic detail, what tactics (day-today activities) do you do?

# Marketing

- Build it and they will come...Yea, right!
- Market it well and they will come...Now you're in the real world!

# Next Steps

- Develop a 2-page strategic plan
  - Test it
  - Revise it
  - Test it again
- Don't do it alone
  - Work with a Colleague, Mentor or Coach

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