



Chameleon Leadership

Simplify the Chaos of Small Business

by Russ Katzman

Dedication

This book is dedicated to the two most important people in my life, my son Nick and my wife Lynne.

To Nick: You are my heart. The potential that I see in you is unbelievable. Follow your passion, Son. Your dreams can take you anywhere.

To Lynne: You are my rock and my Love. Thank you for always providing the support and encouragement to allow me to create my own legacy. There's nothing that we can't do together!

Prologue

"Always be yourself. Unless you can be a chameleon. Then always be a chameleon." - Unknown

My father was a great man. By nature, he was an introvert, but he became an expert 1-on-1 extrovert. He could talk to anyone, and with charisma alone, could probably have sold ice to a penguin.

He was also a bit of a hoarder.

My dad's philosophy was that you never throw anything away because you never know when you might need it.

Old string? Keep it.

Residual 2x4s left over from building a swingset? Keep 'em.

Rusty nuts and washers found on the floor of the garage after an annual cleaning? Most certainly keep those. You never know where they might come in handy. You get the idea.

So I suppose it is natural that I should share some of the same traits in how I approach success in small business. My thought is that anything and everything that you can learn is another tool that might be useful someday. I feel that there is value in having the insight and flexibility to take on several roles, adapting your approach to each individually.

In fact, it is vital to the survival of your small business that you treat one situation as a formal, commanding structure, while the next will require a more relaxed, laissez-faire style.

I term this Chameleon Leadership.

Introduction

“A small business is an amazing way to serve and leave an impact on the world you live in.”

-Nicole Snow

I was reading an article earlier this week about the reasons that a person would want to write a book. The author of the article made a statement that stuck with me and summed up what I was thinking in creating the idea of Chameleon Leadership. He said, in essence, that you should write a book to begin a conversation about something. So that's what I am here to do. Let's have a conversation and see if we can glean any wisdom from it. With a little luck, it will provide value and insight for each of us.

What is Chameleon Leadership?

As with many of you, I find that I do my best thinking at night. Unfortunately, the creative, right-side of my brain can only function properly when the overly analytical, left-side has gone to sleep. Only during those wee hours of the morning can my mind break through the clutter and voices that normally congress in my head to allow for true innovation to take place.

Lucky me.

The idea for Chameleon Leadership is based on the premise that a person can lead others without selecting a specific style or subject as a mandate. There is value in having the insight and flexibility to take on several roles, adapting your approach to each individually.

There is an old saying that has been handed down for generations that states in part “Jack of All Trades, Master of None”. You can pull various stories of its origins from places around the internet, but despite the birthplace to which you give credit, it's hard to deny that there is a popularity to this adage that has engrained it into our society as an old wives' tale, or nursery rhyme.

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For years, business philosophy pundits have been touting the idea that in order to succeed in business, one must specialize in some skill. We have been told that nobody will pay for you to be a generalist, but rather, you must have some capability that others do not possess in order to stand out. The 'Master of One' began to gain momentum of its own right and the 'Jack of All Trades' was seen as the perennial bridesmaid – one who had all the makings of a potential success, but just came up short at the altar.

The Chameleon Leader

I would contend that there is a third alternative; that a different recipe for success is in embracing the diversity that today's environment requires and enjoying the role of being an "Artist of Many, and Master of Few". The fact of the matter is, you CAN succeed in business without a specialty, by practicing Chameleon Leadership.

As you probably know, chameleons are primarily found in Africa and Asia, and the unique ability to camouflage their appearance in order to adapt to their surroundings. They do this quickly and without notice. Likewise, there is a certain solace in being the type of professional who is quite good at many things. This individual can practice an amount of discretion that allows him or her to adapt to the given circumstances and morph an approach to address the very issues at hand.

Keep in mind, neither the chameleon nor the professional (the Chameleon Leader) has changed their core values or principles. The true goal of each remains success and survival, through a diversity of approach and flexibility in application.

In the technology realm, especially, we went through a period of time earlier this century where we focused on becoming specialists. The goal was – and still is to some degree – to get as many certifications as possible, becoming more highly trained, thereby making you more marketable in a focused area of the business. However, the danger here is the fear of being pigeon-holed into a specific set of scenarios. The skillsets that are learned may be focused on the application of a certain vendor platform, or a microcosm of issues.

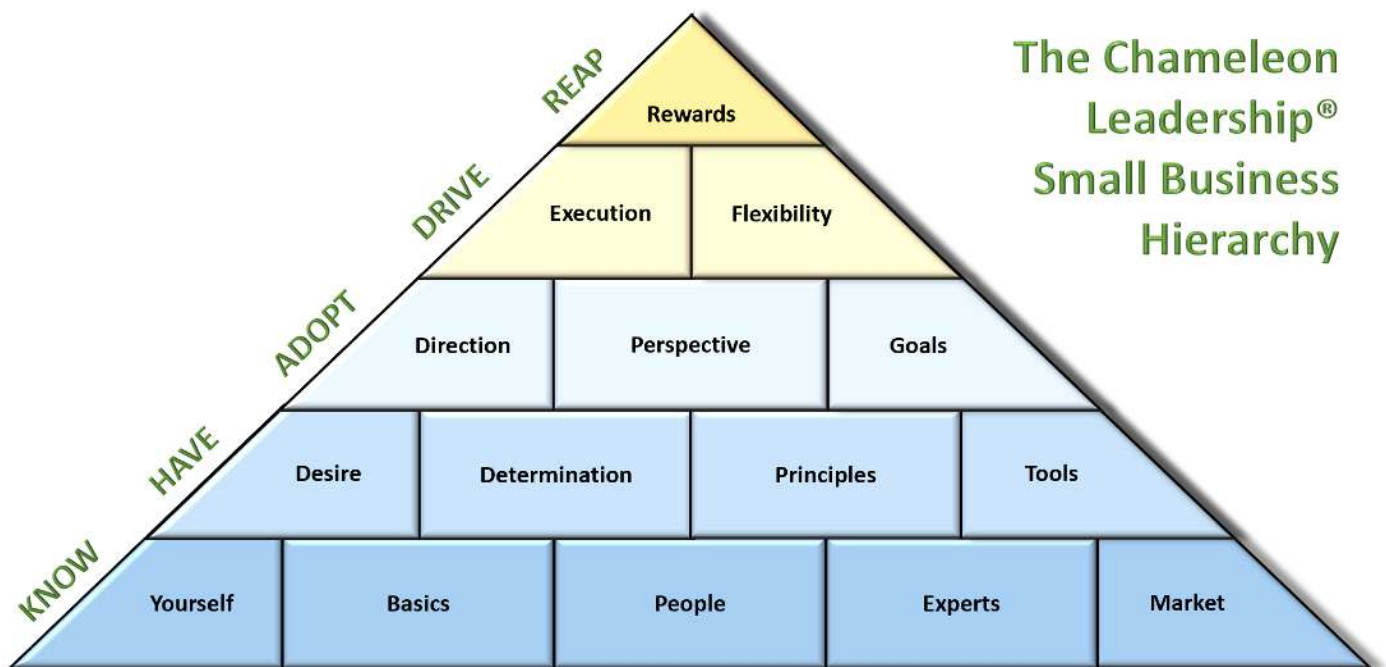
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If you have read my LinkedIn profile, you would call me a hypocrite. I have enough certifications to have more letters behind my name than I have in it, but I don't see it that way. I see life as a toolbox. With a variety of tools in your repertoire, you are more likely to be prepared for any situation. There's a reason that wrench sets provide so many options. No two problems are the same, and my contention is that I would rather go into a situation with a full socket set than a single crowbar.

I'm not saying that you can't succeed and reach the highest level of success in business with a set of specialized skills. What I am stating is that you aren't REQUIRED to be a specialist to succeed. Sometimes greatness and hard work can supersede perfection.

A Hierarchy of Needs

Just as [Maslow](#) had a five-tier model of human needs, there is a delicate balance among the skills required to succeed in business today. Over the course of this book, we will be discussing a different hierarchy, one that governs all that the Chameleon Leader must know to drive life in a small business.



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Certainly, there is an irrefutable set of basic skills that are necessary for anyone to survive as a small business owner – interpersonal communications, basic accounting, and solid writing skills, among others. However, I contend that by adding 10 or 12 specific skills, you will prepare yourself for more of the nuances of entrepreneurship. These skills include resourcefulness, humility, approachability and persistence, for example.

Consider how the role of a business coach can help you through this process. Coaches specialize in asking the questions that force business owners to consider ideas and possibilities that may not have been thought of before. They can help you to learn those skills at which you are not currently adept, and can connect you with the experts that can fill the needs of your business.

The rest of this book will concentrate on the areas shown in the Chameleon Leadership Hierarchy of Needs, and how they can impact your views of your business.



CHAPTER 1: KNOW

"What do you need to start a business? Three simple things: know your product better than anyone, know your customer, and have a burning desire to succeed." - Dave Thomas

At the base of the Chameleon Leadership Hierarchy of Needs, are some things that are just plain good to know. They will serve you in all facets of business, but are critical when it comes to being an entrepreneur.

Be Humble: Know Yourself

Do you have what it takes to run a business? The answer to this question needs to be an undeniable, unequivocal, "Yes!". There should not be a question in your mind about whether you can, and will, be successful. However, as you will see throughout this book, there is a wide variety of skills that are necessary for a small business owner to be successful.

Know Your Limits

It is imperative that you are honest with yourself about what you do well, and what you do not. So what's the easiest way to analyze your limits? How about a good, old-fashioned SWOT analysis?

Strengths: What do you do well? What do others recognize in your knowledge and skillset that they wish they had? What do you bring to the table through education, experience, industry background, etc.?

Weaknesses: Where do you have gaps in your knowledge? Are there situations in which you have not performed particularly well? What would you like to improve?

Opportunities: What characteristics of your life make you a good candidate to run a business? How will you use that knowledge to benefit your company?

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Threats: Do you have scenarios in your professional or personal life that can impact the success of the business? Are there demands on your time that could cause a conflict in your ability to stay focused on the company's objectives?

It's important to be honest with yourself about the questions above and to keep in mind that there are limits to your abilities, as wonderful as you are!

Speaking of limits...

Know Your Bank Account

Almost every business will require a certain degree of investment in order to get it off the ground. As you begin

Nearly a third of small business owners estimate it takes more than 30 days to get paid



work on your venture, be sure that you have a clear budget in mind in regard to what you are willing to invest. Chances are quite good that you will be spending money long before you have money coming in, so know how much you are willing to risk, and how long you can go without seeing a profit. We will cover much more about Financing later on.

<https://quickbooks.intuit.com/blog/news/small-business-cash-flow-the-state-of-payments/>

Know Your Timeline

Just as most entrepreneurs do not have an unlimited amount of money to spend on a venture, it is rare for a new business owner to have an unlimited amount of time before they need to see a return on their outlays. Again, you need to be honest with yourself here. Be sure to do your research to see what other businesses – similar to yours, or at least in the industry – have experienced when working to make a return on their investments.

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A note of caution here: many small business owners open their doors with an overly optimistic view of how many customers will come beating down their door, and how much money those customers will be willing to spend when they get there. I have always been of the mind that it is better to be realistic, but conservative with sales forecasts. Especially if this is your first foray into the world of small business, you need to understand that there will be a learning curve – for both you and for the customer.

Know Your Personal Support System

Thomas Edison once said, “I have not failed. I’ve just found 10,000 ways that won’t work.” The world of small business is not an easy one. The path is often unpaved, and there are times when you feel as if you must walk it alone. Recognize that you have the capability of building a good support system, made up of the people around you that want to see you succeed.

Family and Friends: Share your plan with them and let them experience the voyage toward making your dreams come true. Take advantage of their drinks to toast you, their courage to support you, and their shoulders to cry on.

Business Coach: Working with a coach that has been through the grind with businesses like yours can be a vital cog in your success. A good coach can provide you with perspective, experience and accountability. They may have the capability to teach you needed skills, or they may be able to put you in touch with a network of resources that can provide needed services to your business.

Be Ready: Know the Basics

Less than 10% of entrepreneurs have a business degree. Small business owners come from all walks of life, and quite often, they begin work with no background in business whatsoever. That said, there are some fundamental building blocks of knowledge that are important to understand. Keep in mind that this is *not at all* exhaustive, but rather is an attempt to give you an idea of the types of information that you will want to comprehend when it comes to managing your venture.

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Know the Language of Money



If you are going to be knee-deep in the world of business on an everyday basis, you will want to learn, understand and communicate through the basics of business terminology. Without going deep into the meaning of all of these terms – you can Google them, as needed – I'll give you a list of some of the most popular terms to know and understand.

Accounting: This is the systematic recording and reporting of business financial transactions. There are many times when Accounting can be complicated. This is one area where you will want to hire a coach or professional if you do not have education or experience in the field.

Accounts Payable/Accounts Receivable: Do you expect money to come in, or expect money to go out? As the name infers, Accounts Payable is used to keep track of bills that you will need to pay. Accounts Receivable is when someone needs to pay *you*.

Assets/Liabilities: Similarly, Assets are those resources that can be used for the benefit of the business. For instance, Cash, Inventory and Investments are all assets. Liabilities, on the other hand, are items that we *owe* to someone else. This is typically Loans or Debt that we have taken on to fund business activity or a major purchase.

Owner's Equity: This is the amount of the business that is owned by the entrepreneur, typically funds that have not been drawn out of the company. Total Assets will always equal Total Liabilities plus Total Owner's Equity. **NOTE:** if you constantly pull out the money that is made by your business, you will not build up equity. That means that if your business goes through rough times, as is often the case, you will be unable to fund it without taking on debt or providing an additional investment.

Net Income/Profit: Profit is the extent to which the Revenue (money received from your customer) exceeds Expenses (money needed to provide the product or service) over a period of time.

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Cash Flow: This is the movement of money in and out of your business. You want there to be a higher flow of income into the business than there is an outflow of expenses from the business. This is called positive cash flow, and is a good thing!

Know the Customer Journey

Regardless of the product or service that you are providing, there is a typical set of stages that your customers will go through in their lifecycle with your organization. If you ran an internet search for this, you would see dozens of different ways to describe the same basic steps. Recognize that while I use a model below that I have worked with before, your own business coach may use different terminology to describe the same events.

Needs Identification: This is when a customer recognizes that they require the benefit of a product or service. Occasionally, marketing efforts can convince a consumer that they have a need that was not previously identified.

Awareness: Awareness is when a customer realizes that there are options to be evaluated in making a purchase decision. This can be instigated by the customer performing an active search, or through educational materials put out by vendors willing to fulfill the need (aka., ads, flyers, billboards, etc.).

Evaluation and Decision: At this point in their journey, your customers are weighing their options against one another and evaluating which is the best fit for their given situation, Ultimately, they will come to a decision and move toward...

Purchase: This is the part of the customer journey that you want to be as easy as possible. Never let it be a challenge for your customer to make a purchase once they have decided that your offering is the right one for them.

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Deployment and Use: Once you have the customer, in order to retain them, you must be able to fulfill their needs with the most efficient and high quality product or service. If you delight during this stage, you have the opportunity to create an advocate for your product that can translate into multiple future sales and potentially additional customers.

Retention and Advocacy: This is the point at which you take advantage of the good will that you have earned during the Use stage. Keep the customers that you have, and reap the benefits of them advocating on your behalf. Their advocacy will feed the Awareness, Evaluation and Decision stages of future customers.

Know the Employee Journey

Keep in mind, since you may be just starting out, as you succeed, there will be a need to hire employees. Similar to the journey that is experienced by your customers, there is a journey that your employees will follow through their work in your company. Whether you have 1 employee or 1000, understanding the employee journey is an important consideration.

Attract: This is when the prospective employee becomes aware of your organization and what you have to offer to them as an employee. This is the recruiting equivalent of generating sales leads.

Recruit: Now that you have their attention, you will want to recruit the prospective employees to your specific current or future job openings. Sell your company to quality candidates in a similar way as you would sell your product or service to a paying customer. Recognize the needs of the individual recruit and match them with the benefits that you provide. This stage includes the interview and job offer processes.

Onboard: Once an employee has agreed to work with your organization, you need to have processes in place to indoctrinate them to your company. This includes employment paperwork, and a full set of training to ensure that they perform in the manner that will make advocates of your customers.

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One good exercise to go through with a business coach is the creation of the organizational chart of your future business. Designate all of the positions that your company would need, and identify the major deliverables expected from each employee. Once complete, you can generate operations manuals that will make the transition easier upon hire.

Perform: During the Perform stage of the employee journey, the employees are completing the activities of their jobs and are measured by a set of metrics that govern the quality of their performance. When employees fall outside the expected levels of performance, retraining and performance improvement measures will be utilized.

Grow: It's important to plan for the growth and development of your employees. People have an inherent need to be challenged and to expand their knowledge, and in order to remain engaged in their work, you should provide them with an environment in which they can do so.

Offboard: Whether employees exit through retirement, resignation, or other means, you will want to have specific procedures in place to assist with the offboarding process. In this world of highly visible security risks, make sure you put controls in place to govern the protection of data and intellectual property throughout their exit.

Advocate: Similar to what is encouraged during the Customer Journey, your goal in the Employee Journey is to create advocates out of your workers. No matter why they are leaving the organization, if your employees have had a great experience at your company, they will be happy to share that knowledge with their friends, who may turn out to be additional high quality employees for you.

Be Approachable: Know People

Conducting business is about working with people. Even in today's very digital existence, we still spend the vast majority of our time interacting with customers, vendors, employees, families, friends, etc. Until HAL 9000, the Terminator, Siri or Alexa take over the world, these various human interactions will govern the success of your venture.

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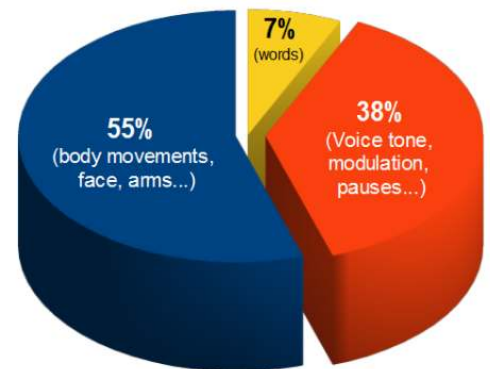
Know How to Talk

No single skill is more important to your success in business than knowing how to talk to people. It is a skill that can be fostered from early childhood and tailored throughout your primary education. We talk on the phone or we talk in person and we try to have our ideas heard.

It is sometimes called the gift of gab". It is a term that is usually attributed to an individual who can pop into any conversation and manage to talk for hours with no perfunctory agenda or intent. Some people, usually extroverts by nature, are blessed with it. For us introverts, it is a foreign concept, and usually a scary one. However, I believe it can be learned.

So how is it that so few people do it well? Take a moment to think back over the conversations you may have had recently. Which ones stick with you: The charismatic gentleman that shared a taxi on a ride to the airport? The charming young lady that was desperately trying to get her 6-year-old to the bus stop that took a moment to thank you for holding the door for her? The eager young professional that interviewed for an entry-level position, but blew your socks off with his maturity? The messages from these situations couldn't be more different, so why did they resonate in your memory?

Personality: Just make sure you have one. Let it be seen through your smile and your facial expressions. Let others inside your world through interactive questions, humorous tales, or simply staying quiet and listening with intent. It is said that 93% of messaging is done non-verbally, so make sure that you are portraying the individual that you want your audience to remember.



Prose: That said, the 7 % of messaging that *is* done verbally is pretty important as well. Make sure you use the language of the audience, if you know it. As Nelson Mandela noted, "If you speak to a man in a language he understands, that goes to his head. If you talk to him in *his* language, that goes to his heart."

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Keep in mind that when I use the term 'language', I am not simply referring to speaking English, Spanish, German, etc. There is often a language that is spoken within industry verticals, that can contain product, vendor, and/or industry lingo that may be unfamiliar to those that have not worked in the space previously. As you gain time within a vertical, you will become more comfortable with speaking with your suppliers and customers.

Poise: Above all, remain within yourself. Be genuine. Do not attempt to speak to topics that you don't understand or to pretend to be something that you aren't. Demonstrate that you recognize the nature of the situation you are in, and present your ideas with clarity and intent.

Know How to Write

When I was in eighth grade English class, I slacked off on a research paper and ended the semester with a poor grade – one of my worst ever. As a result, when it came time to register for ninth grade English classes, I was ineligible for the most advanced class, even though every other grade I had was top notch. I was livid and embarrassed. Little did I know that the 'regular' English class would be the single biggest contributor to my career of all high school classes.

That ninth grade class covered all the rules of the English language, from parts of speech to sentence structure to vocabulary. As I told my son this past year when he had a similar class, there is not a day that goes by when I am not using the lessons that I learned there. Emails, presentations, reports, even *books!* We all constantly communicate in written format in today's business world, and it is imperative that you respect the rules of grammar. (Yes, I understand that texting and instant messenger have eroded many of those rules, but that just means you will stand out more by following them!)

Know How to Sell

"Wait a minute", you say, "I thought this section was about knowing how to communicate with *people*. What does that have to do with selling?" Everything.

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For your business to be successful, you will want to understand the needs of your intended customer. Much of that can come out of empathy and awareness, which we will cover later in this book. For now, though, understand that at the heart of selling is knowing what it is that your customer wants. To do so, you must know your people. The two are inextricably linked. Here are a few simple rules about selling and people:

Listen: While it is good that you know everything about your products, you don't have to monopolize the conversation by immediately sharing it with the customer. If you listen to the needs of the customer, and the product fits, great. Otherwise, process what they are telling you and match them to a product that is the right fit for them.

Scale to the Customer: Don't try to sell a \$90,000 sports car to a family of six who is looking at minivans. It's not a practical solution for them, and it doesn't fulfill their requirements. Your commission may be lower on the cheaper vehicle, but your attention to the needs of the customer may make them advocate for you when it's time to buy again.

Sell Yourself: Certainly, it is important that the product that you are selling is a good match to the needs of the customer. But if that is all there is to the purchase, then they could go buy it anywhere. You want them to buy it from YOU! Make sure you give them a reason to. Strike up a rapport with them through listening to their needs, relating to their situation, matching the products to their desires, and providing them with a fair price. Your ability to communicate with charm and charisma throughout the transaction is a key to your success.

Be Resourceful: Know the Experts

As was discussed in the first section, Be Humble: Know Yourself, it is important that you understand your limits. However, those limits do not have to define boundaries within which your company must remain. Take advantage of the relationships that you have built in your life, and ask for help. You may find that your success is important to those around you!

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Know Your Family (& Friends)

Start with those that are closest to you. This isn't like those primary school fundraisers when your parents bought 19 magazine subscriptions to help send your school to DisneyWorld. No, you aren't even looking for them to *purchase* from you.

In this case, you should consider what talents and knowledge you have in your closest relationships that can help out your business? Does your father play golf with one of the best patent lawyers in the city? Ask him for an introduction. Perhaps your best friend's husband works in the insurance industry and will walk you through what you need to carry for liability coverage. Maybe your neighbor, who owns a marketing company, will offer a barter agreement in exchange for your assistance later on. Know what your friends and family have to offer and let them share in your dream.

Know Your Colleagues

Whether you are fresh out of college, or you are a seasoned professional, there is a cohort of individuals that have been beside you along the way. These are the fellow students, teachers, co-workers and supervisors that have been part of your life. Assuming that you have been a solid performer and held up your end of assignments, hopefully you built a decent rapport with them over the years. Take advantage of these relationships and reach out to the experts for their opinions as needed to support your business.

Know Your Network



As of August 2020, LinkedIn claims to have more than 700 Million users. Instagram boasts more than 100 Million users last month, YouTube has over 1.8 Billion users, and Facebook tops them all with an estimated 2 Billion or more. If you are a member of these social media giants, or even an industry specific network, recognize that there is a varied degree of talent available to you through your connections. Again, you

don't have to be alone in your entrepreneurial journey.

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Know Your Affiliates

Your business will allow you to interact with a large number of affiliate organizations, such as service providers, product vendors, and to an extent, even competitors. Let's look at the role of each of these in making your business a success:

Service Providers: By this, I am referring to those providers that specialize in an area that is a gap for you. For instance, accountants, lawyers, engineers, or other specialists have a vested interest in your success, if you are doing work with them. Feel free to ask their advice when needed, and if you find it helpful, do them the favor of a recommendation – formal or otherwise.

Product Vendors: Likewise, those vendors that provide you with raw materials or other items that feed your finished products will see the advantage to helping you when needed. The more of your product that you are able to sell, the more you will need their upstream materials, and therefore, you both win. Don't be afraid to remind them of this fact, if they become reticent to assist.

Competitors: Yes, there are times when your competitor can become your ally. Think about a situation in which your market is young and untapped. It is incumbent on you, as well as your competitors, to educate your market on the need for your products or services. Gathering together to complete a design thinking session that charts the future of your industry could be advantageous for all. Just don't collude. That would be bad.

Know Your Coach

Don't underestimate the extent to which a good business coach can fill in the gaps in your knowledge. By you doing business with them, a coach can amplify your breadth and put you in touch with other individuals in *their* network, *their* affiliates, and *their* colleagues. A business coach will be able to analyze your needs and connect you with an array of professionals that can assist. It is an honor, and a privilege for a coach to work with your business, so let them help you.

Be Thrifty: Know your Market

Regardless of how cool or trendy your product is, if nobody out there has a need to buy it, then your business won't last. The center of your business plan should be not only the *value* that you are bringing to the marketplace, but a definition of the marketplace itself.

Know Your Demographics

Who are you targeting with the value that you are creating? You should be able to clearly relate the characteristics of your target market segments. A good exercise for addressing the questions about your market segments is to create buyer personas - a fictional character created to represent a user type that might use your brand or product in a similar way.

Once you have created personas, you can clearly share these definitions with those that are here to help you, including your network, colleagues, and affiliates. Be sure to include in your description any constraints on your market that are provided by economics or geography. Being very specific about your target market(s) will be a critical step in designing a go-to-market strategy or marketing campaign.

Know Your Channels

If you are going to offer your product or service, you will want to make sure that you make it available in a capacity that is familiar to your target market. Think about where your personas shop and how they will interact with your product.

For instance, you may be a sports drink maker that is looking to target the Saturday morning athlete, headed on his way to a pick-up game of basketball at the local park. Is that buyer likely to stop by the local warehouse store such as Walmart or Costco to grab a single serving sports drink? Or is it more likely that he stops by the gas station on the corner and runs inside to grab a drink, and is in and out in a matter of minutes? At that point you are dealing with a buyer that is looking for a quick and easy resolution to his thirst, and will take convenience over price or volume.

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Also understand that a single buyer may utilize multiple channels, depending on the situation. That same athlete may shop at the warehouse store later in the week, and opt for a 24-pack of the same sports drink, especially if it comes at a discount. Base your distribution channel and marketing strategies around those scenarios that provide the volume, price point, and image that is necessary to reach your target market.

Know Your Brand

More specifically, know the way that your brand will be viewed by the market. Work with a professional that can advise you on the logo, colors, and slogan that will portray the image that you want. This is one area where – regardless of how much experience you have in the branding arena – you will want the advice of a



third party. We all tend to see something through the eyes of our own intention, and it is the opinion of a third party that often helps us discover how other personas may view it.

It is also important that your brand consider the level of prestige that is to be portrayed through the purchase of your product or service. What qualities would you like to build into your product or service to make it memorable? Do you want your customers to be seen as thrifty consumers or elite specialists? Make sure that your brand image, channels, price, packaging, and marketing campaigns are all consistent in the message that they are presenting.

Know Your Substitutes

If consumers aren't going to buy from you, where will they go to have their needs fulfilled? This list should include not only your direct competition, but also substitutes that may be readily available. For instance, a florist that focuses on special occasions not only evaluates other florists, but also candy shops, day spas, weekend getaways, and formal restaurants.

Know Your Value Proposition

Once you have a firm handle on your target market, you can review that market to get an idea of their needs. However, don't always focus on needs at face value. For instance, a customer may come to you and say that they want a phone. But what does that really mean? What is the job to be done (JTBD) that they are trying to achieve?

Let me explain it this way: do you remember in the early 2000's when the 'flip' phone was the coolest phone to have? That phone served two jobs – it could make a call, and to a lesser extent, it could send a text. Soon thereafter, a smartphone came along, and it too could make a call and send a text. However, with access to an array of applications, the smartphone had the capability to complete a much larger number of jobs.

So what is it that your market is looking for? What are the JTBD that they desire to complete? Understanding this will help you comprehend the value that your product truly brings to the market. Create the right combination of products and services that serve the greatest number of JTBDs desired by your target market.



CHAPTER 2: HAVE

"The biggest adventure you can ever take is to live the life of your dreams." - Oprah Winfrey

Congratulations! You now know far more about your business than you did at the start. Now, it's time to add in some prerequisites necessary for you to be successful. This section will cover a handful of items that you need to *have* in your repertoire as you begin to venture into the world of entrepreneurship.

Be Intentional: Have Desire

Above all, you have to WANT to own a small business. There is no taking a half-assed approach to being an entrepreneur. As in the world of poker, you are "all in" or you are all out. You have to have a strong desire to own a business and dedicate your blood, sweat, tears, money, and an immense amount of time to make it successful.

Have a Purpose

Why? What is the reason that you are going into business? What is the underlying premise that will drive you through the tough times? It is imperative that you are able to relate this purpose to those that are helping you along the way – family, employees, vendors, and customers included.

Equally important is to recognize what your purpose is not. Sure, you may be going into business to make money. I can tell you, though, that if you are solely in it to make money, your business will fail. Likewise, many people believe that by starting their own business, they will be able to set their own schedule and work the hours that are most convenient for them. However, it quickly becomes apparent to them that the business is the most restrictive boss that they have ever encountered, demanding extra time and attention, far beyond normal business hours.

When discussing your purpose, communicate your values, and reveal the character that guides your culture. Your purpose is the basis of your mission and vision, but *impact* is what matters.

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Have a Vision

Having a vision means you have an idea of what you want the company to be in the future. Your vision reminds you of what it should look like as your purpose manifests itself, and it describes what is important to a company that achieves the stated purpose. Vision aligns leaders and followers, and is an ongoing process whereby you align your mission with your purpose. Vision keeps you on track to fulfill your purpose.

Have a Mission

Your mission statement, on the other hand, is *how* you will achieve your vision (and thereby fulfill your purpose). Designating your mission is a path toward developing a strategic direction that will provide a course of action for all things related to your business.

NOTE: . Don't be afraid to share your progress with the family, employees, or coach that is helping you along the way. A high level of accountability to those individuals can be a vital tool toward your success.

Be Persistent: Have Determination

You'll hear it from almost any entrepreneur – it's not easy owning a business. But how can that be? Don't you love your products? Aren't you pursuing a lifelong dream? Did you not *choose* to take on this path toward a more fulfilling existence?

All of these things may be true, but they do not discount the fact that there are times when you will want to quit. Times when you will want to go back to the predictable "9-5" job that pays you a steady paycheck and requires no investment from you. There are times when you will be in debt, when you have no interest from customers, and/or when you have worked for 36 hours straight, with no end in sight. It is in those moments when your level of determination will be tested.

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Have Mental Toughness

In 2018, Harvard Business Review produced the book *On Mental Toughness* covering the Top 10 articles that they had published on the topic. One article by Joshua Margolis and Paul Stoltz discussed the resilience needed to power through tough situations. As they stated, “Resilient managers shift quickly from endlessly dissecting traumatic events to looking forward, determining the best course of action given new realities.”



This aptly explains the life of an entrepreneur. You do not have the luxury of time to dwell on the hardships that you will experience. You must have the determination, the mental fortitude, to set aside these setbacks and get back to driving the mission that you have set out to accomplish. Your business, your team and your customers depend on you to do so.

Have Level Emotions

Most of my business career was spent in a manager role, specifically in charge of projects. I ran initiatives for all aspects of the business from finance to technology to operations. There were times when I ran a Project Management Office and I had numerous project managers reporting to me. The single most important lesson that I shared with them was this: “As project managers, we are paid to act as if everything that happens was exactly what we expected to have happen – even when it wasn’t.”

The onus of this advice was to level off the emotional roller coaster that can come with the volatility of business. As I stated above, there will be times when things won't go well; however, the minute that you panic, everyone else will too. As an entrepreneur, your team is looking for you to lead them through the inevitable challenges that you will face. Keep your emotions level and deal in the facts. There will be plenty of time to privately release your emotions when you have resolved the current crisis.

Be Worthy: Have Principles

Think about the qualities that you value in those individuals with which you do business. Now imagine that you have been looking into a mirror. Be the type of entrepreneur that you would like to work with – better yet, the type that you would like your mother to work with. Demonstrate the characteristics that you hope to see in others.

Have Honesty

Being honest is about building trust. It allows us to work together to overcome challenges. How you communicate about opportunities, challenges, failures and successes will determine how you address your company's needs. If you're not truthful or fair about who you are, you're missing an important opportunity to grow into your full potential.

Have Integrity

Most organizations state that they act with integrity. They define it as something like, "doing the right thing even when nobody is watching". What puzzles me is why so many feel the need to put the word integrity into their mission or vision statements. This value should be demonstrated by top levels of management, and should be emulated throughout the staff. If one would argue that they are putting it into the mission to help govern the actions of their employees, they may need to review their hiring practices.

Do what's right, no matter who is watching. It will turn out to be better for you, and better for your business. Always.

Have Trust

Unless you want to run the business by yourself forever, at some point you will need to trust a partner or an employee to work in your stead. This requires you to build a culture of trust within your organization from the very beginning.

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In 2017, an *Inc.* article called out 8 ways in which you can create a culture of trust:

1. Recognize excellence.
2. Induce “challenge” stress.
3. Empower employees to choose their work patterns and habits.
4. Give employees a voice in their own job design.
5. Communicate often.
6. Intentionally build relationships.
7. Facilitate whole-person growth.
8. Show vulnerability.

For more information on any of these topics, you can refer to the original article: <https://www.inc.com/marissa-levin/harvard-neuroscience-research-reveals-8-ways-to-build-a-culture-of-trust.html>.

Most important to understand, is that in a digital world, trust equates to credibility. People won't do business with anyone that they don't trust, and one of the quickest ways to build trust remotely is through online credibility. This is demonstrated through any of the numerous ratings engines (Google, Yelp, Glassdoor, etc.), and the testimonials of others that have encountered your service.

Be sure to manage this digital profile and keep your portfolio clean. If someone presents a negative review of your product or service, be sure to work with them to understand the nature of their discontent and publicly post the steps that you made to remedy the situation. Stay away from placing blame or 'bad-mouthing' the poster. Simply deal with the facts of the situation and ensure that your credibility is shown in the best light possible.

Have Discipline

In order to succeed as a small business owner, you must be able to demonstrate the discipline required. To increase your chances of success, there are three areas of the business where discipline must be prevalent:

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Customer Focus: A disciplined business retains a focus on the needs of the customer. Certainly, we have all heard that “the customer is always right”, but that only tells half the story. Once a customer shares feedback with an organization, it is incumbent on that business to understand the impact of that feedback and adjust accordingly. If the customer states that they don’t feel that your color of blue is blue enough, they have just provided a new requirement, and you must decide for yourself whether it is in the best interest of the organization to change your color of blue, or leave it as is. As stated in an earlier section, your value proposition is based on what you bring to the market in answer to the needs of your target market. Never lose sight of that.

Business Plan: In order to keep any and all employees (even if it is a sole proprietorship) in line with the direction of the company, a business plan establishes the future of the organization and any milestones or accomplishments to be achieved along the way. Stay disciplined to the creation and execution of your business plan. Provide flexibility in your approach, but remain steadfast in your goals and the vision which you have laid before the business.

This is an area where a business coach adds a significant advantage. They have the capability to walk you through the strategic planning process, including a business model assessment, definition of a value proposition and alignment of resources (including time) to the strategic vision. If you have a business that is well established, these conversations may include succession or exit strategies, and/or an assessment of the fair market value of your business.

Metrics and Goals: Thought leader Peter Drucker is often quoted as saying that “you can't manage what you can't measure.” What Drucker means, is that you will have difficulty gauging success if it is not defined and tracked. Make sure that you have created goals for your company that will drive your mission, serve your purpose and ultimately accomplish your vision for the future. Then be disciplined enough to track and measure your progress toward those goals and adjust when you fall off course.

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Be Handy: Have Tools

Running a business isn't all about the soft skills. While a surgeon with a good bedside manner is nice to have, she is nothing without the use of a scalpel (or chosen tool of the trade). At the start of your venture, you should be prepared to invest at least some money in the tools that will carry you forward as a viable organization.

Here are some of the common needs:

Messaging Systems: Probably the first critical application that you should include in your business is your means of communicating with your customers, vendors, or anyone else. From the moment that you decide to go into business, you will want to have a mode of communicating that is separate and apart from your personal email, webpage, Facebook account, or LinkedIn profile.

There are a number of options out there that provide an e-mail communication solution, often with the benefit of a suite of tools. Google's G-Suite and Yahoo! are two of the most popular solutions while your business is small. As you begin to scale and take on employees, you may want to move to e-mail hosting with a cloud provider such as *bluehost*, *HostGator*, or *HostPapa*.

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Social Media: As the purpose of this discussion, we will look at social as a means of communicating broadly with your intended audience. For that sake, you should consider some of the most popular, often trendy, applications such as Facebook, LinkedIn, YouTube, and Instagram. As I said in the section under Know Your Network, these sites are giants, with multiple millions of users on a monthly basis. Take advantage of that level of exposure and be sure to brand a site for your organization that can be seen by your intended customer segments.

Also, take some time to understand the metrics and algorithms that drive these networks. Alter your approach as needed to ensure that your pages are being seen by the audience that will provide the best return on your investment. There are countless articles available online that will teach you how to use these platforms to your advantage, or you can align with a coach that has experience in the space.

Accounting Software: When I watch TV shows that feature small business and startups, such as *Shark Tank*, *Dragon's Den*, or *The Profit*, I continually find it amazing when the entrepreneurs fail to understand 'the numbers' that drive their business. As a former accountant, I cannot imagine taking on an initiative without knowing the startup costs, annual expenditures and revenues, breakeven point, or cost of customer acquisition.

There are numerous different solutions to keep track of financials for small business, with some of the current solutions being *Intuit QuickBooks*, *Pabbly*, *Wave* and *Xero*. Most of them are very reasonably priced, offer free trials, and/or offer the chance to upgrade your features as the business grows. Quite honestly, even a simple Excel workbook is better than nothing. However you choose to do it, make sure that you have a tool for tracking the financials of your business from Day One!

Industry Specific: This one is a little less cut and dried. Before you start a business, or at least before you get too far into it, make sure that you understand what software will be required of you in order to perform well in your industry. Some industries can require a significant 'pay-to-play' software acquisition at the onset, which can derail your business if it is not anticipated.

CHAPTER 3: ADOPT

"If you hear a voice within you saying 'you are not a painter', then by all means paint, and that voice will be silenced." - Vincent Van Gogh

As Van Gogh eludes to, once you have reached a point where you have the knowledge and the tools to accomplish your chosen business profession, then the only one standing in your way is you. While reading the "Adopt" section of this book, be cognizant of the fact that how you think will go a long way toward determining your level of success.

Be Focused: Adopt a Direction

As a business coach, it is rare that I run into a small business owner that doesn't have a direction. In fact, it is usually quite the opposite that is true. Many entrepreneurs have a slew of ideas around the direction that their business could, and should, take. These directions can be so vivid and appealing, that it leaves the owner feeling overwhelmed and confused. This can be avoided by adopting a direction, setting a clear path forward, and establishing milestones of achievement that make the future feel real and attainable.

Adopt Clarity

This is the first exercise that I perform with any new entrepreneur: Describe for me, in 25 words or less, what your business is and for whom it is intended. You see, what typically happens with new small business owners, is that they get so excited about the possibilities that their business can become, the markets that it can serve, the various services that can be offered, or the numerous SKUs that can be developed.

There are several ways to provide more clarity to your direction:

Identify What Really Matters: Go back to the Purpose, Mission and Vision that we discussed earlier. If you have several options for where to apply your resources, evaluate the alignment of those options with the Desire that you have in place.

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Focus on One Thing: Find the option that provides the greatest degree of accomplishment, relative to your goals, with the greatest potential for impact (increased revenue, decreased cost, new customers gained, etc.).

Postpone Distractions: When you have determined which option is the best for immediate impact, then find a way to capture and set aside any distractions. For instance, most of us have been in meetings where a 'parking lot' has been used. In this case, a parking lot is a place where you can put those ideas that are not relevant to the immediate conversation, but that may be important to return to at some future time. Find a parking lot for your great ideas, and utilize your newfound clarity to move your business forward.

Adopt a Plan

Now that you are crystal clear about what it is that you are working to achieve first, it is time to put together a plan for its completion. I could put together an entire book on the process of building out a plan, aligning resources for deployment, and building a structure to assure execution. For the sake of this discussion, I just want you to understand how important it is to adopt a plan that will govern the actions of your business resources as you move forward.

Adopt Milestones

By now, we are all familiar with the concept of gamification, and how important it is for humans to experience a sense of accomplishment. Adopting milestones to mark out what has been achieved can be a very empowering step in advancing your cause. Whether it is something simple, such as coming up with a business name, or a more tedious task like filing for a utility patent, it is important to mark these events as milestones in your company's existence.



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Milestones act as signposts through the course of whatever it is you are trying to achieve, helping ensure that you stay on track. They present a good opportunity to celebrate what has been done, to reassess alignment with the plan, and to reiterate the alignment with strategic goals.

Be Aware: Adopt a Perspective

Often, business owners start a product or service because it is something that they themselves would like to buy, use, or consume. Adopting a perspective is about having the level of empathy that is required to see your offering through the eyes of those that it is intended for, and having the courage to admit when what you 'see' is not consistent with your preferred image.

Adopt a Customer View

First and foremost, you should be curious to understand how your customer sees your product or service. Do they see it as a true solution to a need or gap in their lives, or for that matter, do they see your product at all? What is it that makes your offering stand out in the marketplace and is that the impression that is being left on your target market?

I have spent years dealing with organizational change, and I often teach my change management students the old adage, "perception is reality". The same holds true here. How your customers perceive your proposition is the reality within which you must live. To change that reality, you must change their perception; to change their perception, you must first be able to see it yourself.

Adopt a Competitor View

How are you viewed in the eyes of your competition? If, upon your entry to the market, your competition immediately drops prices, exits your territory, ramps up advertising, or otherwise reacts to your presence, it is clear that they see you as a viable threat. However, if they are passive to your existence, it could be that they either don't understand your offering, or you may have overestimated your ability to make an impact on the market.

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Recognize, that by watching your competition react to your presence, it shouldn't change your long-term strategy. One of the best books I have read in regard to competition theory is *The Infinite Game* by Simon Sinek, which came out earlier this year. I actually was in attendance at a conference in New Orleans back in 2018 where Simon was the closing keynote. At that conference, he discussed his thoughts on gaming theory and how it applied to business, essentially the premise of the book.

To paraphrase, what Simon teaches in his book is that a business should exist to participate in the infinite game. A *finite* game is one in which there is an achievable goal or a pre-determined end date, at which time there will be decided a winner and a loser. In business, by contrast, there is no preset date at which you determine whether you or your competitor will be allowed to move forward.

You are creating a legacy; an ongoing concern that will exist long after you (and I) have gone off to ride the great motorcycle in the sky. Certainly, your competition will at times take market share from your business and could possibly prevent you from scaling at the rate you wish. Your competitor, though, should not be your focus. You should always be shooting to be a better version of the company you were yesterday, and remain in constant pursuit of the vision you have set forth at the start of your entrepreneurial voyage.

Adopt an Influencer View

In the digital age, social influencers have an increasingly powerful impact on the everyday buyer. No matter your target market, there are social media icons that are changing the manner in which we market to key customer segments. If you think that this is just for the young, consider that I just ran a quick analysis of the top listed *senior citizen* influencers: the top five average more than 1.3 million followers on Instagram.

Understanding how influencers see your product or service will be an important consideration as we move forward. Make sure that you understand the influencers that impact your customers and ensure that you market yourself in conjunction with their preferences.

Adopt the View of your Predecessors

During the average year, more than 6.5 million small businesses launch, and almost 25% will fail in their first year. More than 50% of small businesses will not make it to their fifth birthday. I state these facts not to scare you, but rather to present to you an opportunity. Think of all the knowledge that is out there of what *not* to do when trying to succeed in business.

As original as your business idea is, there is probably some form of it that has been tried previously. If you spend some time researching the past efforts, you will likely uncover the lessons and scars of the companies that have come before you. Take the opportunity to learn from their mistakes and apply the lessons to your own situation.



Be Dreamy: Adopt Goals

It is important to ensure that your clarity and your plans have destinations. These goals should be written, be explicit and be shared with all pertinent team members. One of the key mistakes that small businesses make is that they fail to create accountability internally by not sharing their goals with the Support System that we discussed in Chapter 1.

Adopt Short Term Goals

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As you begin to form a plan for where your business is going, it is important to have attainable, short-term goals that will allow you to create forward momentum. Typically, short term goals are seen as those that can be accomplished in less than a year. While that is true, don't discount the impact of goals that can be accomplished in a few days or weeks. There will be a number of these goals in the first year of business, and they should be appreciated.

Adopt Long Term Goals

As a component of your Business Plan, it is important for you to have long term goals that you are shooting for, beyond your first year. What do you want your business to look like in 3 years? What do your financials look like after year 5? These goals are examples of long term goals that are vital components of the direction that you have set forth for your business, its employees, and any strategic partners.

Adopt Your Utopia

Similar to the Vision that you have set forth for your company, your utopian goals are those that form the ideal state of what you would like the organization to be in the future. I am sure you have heard the quote, often attributed to Les Brown, that says, "Shoot for the moon. Even if you miss, you'll land among the stars." While astronomically inaccurate, it does illustrate the idea behind setting utopian goals. Imagine what the future could be, then adopt goals for its achievement.

NOTE: The most popular method for setting goals is to create S.M.A.R.T. goals. While there is a danger that this approach is overused, I still think it has valuable application to a fledgling business. To remind you, that method is the following:

S – Specific: Make sure the goal is clear, as written.

M – Measurable: Ensure that any metric requirement in the goal is properly defined and has specific numbers attached to it.

A – Achievable: The goal can be accomplished and is not simply an unfettered dream that is unattainable.

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R – Relevant: This states that the goal should be worth your time and effort.

T – Time-bound: There should be specific start and stop dates at which the goal can be assessed for completion.

CHAPTER 4: DRIVE

"Our greatest glory is not in never falling, but in rising every time we fall." - Confucius

It usually isn't difficult to find a business that knows how to plan. Countless articles have been written about the art of designing a strategy, and the finesse that should be used throughout the process. You can find writings that talk about the planning process as equal parts creativity and scientific application. As far as goal-setting goes, I think that's something that we begin doing as soon as we are old enough to dream.

Yet, that's only half the story. Businesses must know how to apply action to the plans, and believe it or not, this is where so many fail. Sure, when a plan is done right, then it should be as simple as a color-by-number picture. However, there are conflicts that arise, including resource demands, budget shortfalls, operational emergencies, and key players leave the company. What looked like a smooth road on paper suddenly has more inflections than the Swiss Alps.

So what's the small business owner to do? How can he simultaneously wear the hat of "the entrepreneur, the owner and the technician", as Michael Gerber eluded to in *The E-myth Revisited*.

Be Brave: Drive Execution

Execution takes guts. Anyone can come up with a plan. There's no harm in coming up with a bad plan – you're simply told the plan stinks, and it is thrown away. Mess up execution, though, and you are putting money, jobs, maybe even the life of the business on the line.

That shouldn't discourage you. You knew the risks when you got into the small business space. Quite often there is no safety net, no backup plan, and no savings left to bail you out. You must make this work, and to do so, you will want to drive results and adapt as necessary.



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Drive Small Steps

One analogy that I often use with my coaching clients is that of an American football field (though you could use almost any situation where steady, gradual progress can drive toward success). This analogy works because all one hundred yards of the field are marked. What I share with them is that you don't have to score on every play – and there will be plenty of plays when you don't. Just make sure that the decisions you make, and the steps that you take, are moving you in the direction of your goal, a yard or two at a time if necessary.



Patience and discipline will get you to your goal in time.

Small steps are often the key to long-term stability and success. The hottest fires are the ones that burn out the quickest, the same as those businesses that grow immensely, seemingly overnight, are often the ones that fail first. Ensure that the steps you take are driving toward the strategic plans that you have set out for your organization.

Drive Control (of your Destiny)

There are innumerable outside influences that can alter the course of your company. Industry influences, market trends, competitor or substitute offerings, even political and economic environments can all affect your success. Reactions to these influences, and the success or failure of your organization, are the direct responsibility of the small business management team, often led by you, as the entrepreneur.

In other words, don't make excuses; own your destiny. As Jocko Willink shared in the book *Extreme Ownership*, “[for] any team, in any organization, all responsibility for success and failure rests with the leader. The leader must own everything in his or her world. There is no one else to blame.” (I will say, I think this book is a must read for all small business owners! [Extreme Ownership](#))

Be Adaptable: Drive Flexibility

Things won't always go as planned. The key to succeeding through tough times is to be flexible enough to adjust your course and adapt. You made a plan to provide purpose, vision and direction to your actions. However, you did so with a limited amount of knowledge of what the future would hold for your business. As you learn more, through either watching or doing, you have the capability to make better decisions and alter your course where needed.

Drive Technical Change

Most often, when you think about changing your course of action, you are referring to making a technical change. The change usually affects the time to completion of an initiative, the amount of resources needed to succeed, and/or the anticipated results that you plan to produce.

There are as many approaches to creating technical change as there are drops of water in the ocean. As a Six Sigma Black Belt, though, I am somewhat obligated to use the DMAIC methodology for process improvement.

Define: What problem is it that you would like to remedy? Before you can bring about a change, you must spend some time defining what it is about the results that you are getting that you would like to change. You must refine your focus and ensure that you have aligned your anticipated results with the goals and strategic direction of the company.

Measure: Before making immediate changes, you should get an idea of what result you are currently producing. How does the current process perform? What is the magnitude of the problem? Measurement is critical throughout the life of your business since it provides key indicators of organizational health and can provide hints as to where issues are happening. In order to move to *Analyze*, your team must define their measures and determine the current performance or the baseline results to be weighed against.

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Assess: One of the biggest challenges for teams is resisting the urge to jump to solutions before understanding the true root causes of issues. Without proper analysis, a business could implement solutions that don't resolve the issue, thereby wasting time, consuming resources, and increasing variation in results. Instead, the preferred scenario is for teams to learn from the measurements that have been taken, study charts and graphs and use observations to confirm theories about root cause. Theories must be tested before implementing solutions. Only then should you move to *Improve!*

Improve: When you have identified where your execution went off course, then you can implement plans to resolve the root cause(s). The *Improve* phase is where the team refines their approach, pilots changes, implements solutions and collects data to confirm there is measurable improvement. A structured improvement effort can lead to innovative and elegant changes that improve the baseline measure and, ultimately, the customer experience.

Control: This is where you make sure the change sticks. With improvements in place, you must work to maintain the new results and establish an environment in which they become engrained in your culture. In the *Control* phase, you should put measures in place to ensure that your newfound, successful results are sustained.

Drive People Change

If you want your change to be engrained with the individuals that are impacted by it, then you will need to change their behavior. The best approach to getting others to change, however, is not to simply dictate or order them to behave differently. Instead, you will want to bring them along for the change, and practice structured change management processes to promote their cooperation.

There are two levels of 'people' change management that you can leverage within your organization. As defined by industry thought leader, Prosci®, you can manage change at the Individual or Organizational level.

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Individual Change Management: Prosci® teaches a model for managing individual change transitions that includes the acronym, ADKAR®. The letters stand for Awareness, Desire, Knowledge, Ability and Reinforcement, and they are described as the following:

Awareness - Why? Why are you implementing a change, why now, and what happens if you don't change. It is important that you can answer these questions for the stakeholders that are impacted by the change. Every individual in the organization should be able to articulate the *reason* that is driving the change.

Desire – This is where the individual *decides* to take part in the change. During the Desire phase, you are working to help the impacted individual(s) understand what they can gain individually by taking part in the change. While it may seem like a selfish approach, it is an important consideration by anyone who is being asked to change their behavior.

Knowledge – In order to change behavior, it must be crystal clear to the individual(s) what they need to do differently to provide the anticipated result. This is usually accomplished through re-training or additional instruction.

Ability – Once the affected individual(s) has learned how to change their behavior, they must then demonstrate that they are capable of actually *changing*. You may see this as the learning curve. How long, post-instruction, will it take for the behavior to start changing in the way you intended?

Reinforcement – When the behavior changes, you should be prepared to celebrate! Create a reinforcement mechanism that shows the changing resources that they succeeded in doing what you wanted, and that you recognized their efforts. Occasionally, you will praise them for *not* doing those things that you asked them *not* to do. All of this is reinforcement to ensure that the change sticks.



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NOTE: When going through ADKAR®, you must take individuals through the process in order. A-D-K-A-R. It does you no good to send someone for training (K), for instance, if that person doesn't know why the change is happening (A), or what's in it for them (D). Without the Awareness of and the Desire to engage in a change, the Knowledge will not hold, and a learning gap will occur.

Organizational Change Management: To truly capture value for your small business by making changes to your execution approach, you must sometimes manage teams of individuals through a change simultaneously. Prosci® provides a three stage methodology for doing so: *Preparing for Change*, *Managing Change*, and *Reinforcing Change*. For more information about this approach and to determine ways in which your organization can learn the Prosci® methodology, visit www.prosci.com.



CHAPTER 5: REAP

"A business absolutely devoted to service will have one worry about profits. They will be embarrassingly large." - Henry Ford

Ford references a fairly standard thought in business, that by taking care of the customer, you are taking care of the financial security of your organization. While that is mostly true – good service doesn't counteract rising leasehold expenses, for example– it is certainly worth celebrating when you find that through your hard work and sweat, you have created a functioning business that manages to hold its own and perhaps bring in an extra dollar or two.



Be Successful: Reap the Rewards

So then what? You have figured out how to produce money out of this small enterprise that you created, and you have this feeling that the funds are burning a hole in your pocket, just waiting to be spent. How do you spend the money in a manner that will produce the best results for the business?

Reap for Fun

First of all, I feel very strongly that once you make your first few bucks of profit from the business, even if the company is overall still below the breakeven point, you should celebrate! I'm not saying you need to have a blowout bash that breaks the bank and puts you further behind, but I do think it is important to recognize the effort that went in to making this happen.

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Here are a few ways you can grant yourself a mini-celebration:

1. Have a (little) party! Spring for a bottle of cheap champagne and plastic glasses.
2. Blog about it! The sentiment you receive from your social media network will keep the good feelings going. (Not to mention, it may lead to additional positive publicity for your venture.)
3. Treat yourself to a gift. That new iPhone/pair of shoes/golf club that you have been waiting for? Get it.
4. Take a day off! Remember what that is? Me neither. But when you start to turn a profit, I think you should try one.
5. Reflect. Think back on the road it took for you to get here. Then close the door on this initial chapter and look toward your next milestone.



Above all, make sure you give a shout out to all of those that got you to where you are. It is a struggle to work a small business, and you didn't do it alone. Remember in Chapter 1, when we talked about your Support System? Now is the time to recognize their contributions.

Reap for Others

Giving back to others can be one of the most satisfying feelings in the world. Knowing how hard you worked to gain those profits and then sharing the rewards with those that are less fortunate is a great way to set the stage for the future of your organization.

Some people choose to give back to a church or local establishment when they turn a profit from their businesses. Others choose to pull the donations from revenue as an immediate expense, to ensure that the process of Giving is built into the DNA of the business.

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As an example, for my coaching practice, I have chosen to provide 10% of all revenue to charitable organizations. However, when establishing this process, I decided that I should not be the one deciding on the worthy recipients – I leave that to my clients. I keep a running list of 3-5 organizations for contribution, and as part of the closing process, I ask my clients to identify which organization they would like to support. Then when I make the donation, it is done in the name of *my client's business*, rather than my own.

Reap for the Business

Potentially the most diligent decision you can take with your money is to invest the profits back into the business. Especially early on, it is smart to keep cash in the business to cover unexpected expenses or an unanticipated dip in sales. This is especially true if you have not reached the critical breakeven point of prosperity. In some industries, you may choose to utilize the investment to fund research & development or to fund new SKUs of your product. It's a big confidence boost to company leadership when you know that you have cash in the bank that can be used to seize an opportunity if one should pop up.

Reap for Yourself

Finally, when you have taken care of needs of the business and donated a portion of revenue or profit (if you choose to do so), then you should feel free to reap some of the benefits for yourself. If you weren't drawing down a salary previously, that should be considered.

Honestly, this is what you have been working to establish: a going concern that is self-sustaining and reaps profits from which you can reap the rewards. Certainly, to some extent, you may be working to leave a legacy, as many do. However, why wait? As I emphasize in my coaching practice, the creation of this business and being able to reap the rewards, allows you to *live* your legacy. Do it. Apply the lessons of Chameleon Leadership and *Live Your Legacy!*

Chameleon Leadership

FINAL NOTE (on Coaching): While this book covers a large number of topics that are critical for a new business owner to know, recognize that it barely scratches the surface of the many nuances and subtleties that are resident in business. Many entrepreneurs are good at some, but are hesitant to ask questions about the rest. Find yourself a good business coach to show you the ropes along the way. You wouldn't set out on a trip without a GPS - don't take on this voyage without a guide!

CONCLUSION

"The way to get started is to stop talking and to start doing." - Walt Disney

There you have it. All you need to succeed as an entrepreneur is to be a Chameleon Leader of the highest order. Develop the abilities to adapt your style and to learn skills from all parts of the business. Work your way through the hierarchy of needs that has been discussed here, and as you learn more, pass it on to the team members that will inevitably join you.

I read an article once that used the phrase, "be too complex to categorize", and I think that does a pretty good job of summing up the life of a Chameleon Leader. You are not an accountant, you are not a salesperson, you are not a recruiter. You are all of the above, and more. You are an entrepreneur, and you are exactly what is needed for your business at this point in time.

You are a Chameleon. Now prove you are a Chameleon Leader.

About the Author

Russ Katzman is a lifelong student, constantly reading books on business and leadership. He has spent over twenty years in integrated systems and human behavior, with progressive responsibilities in coaching, mentorship, project management, change management and process optimization. His organization, [Progeny Coaching & Consulting](#), provides business coaching services to small business in order to help other entrepreneurs find their purpose and Live their Legacy!

Be a Chameleon Leader

"A human being should be able to change a diaper, plan an invasion, butcher a hog, conn a ship, design a building, write a sonnet, balance accounts, build a wall, set a bone, comfort the dying, take orders, give orders, cooperate, act alone, solve equations, analyze a new problem, pitch manure, program a computer, cook a tasty meal, fight efficiently, die gallantly. Specialization is for insects." ~ Robert Heinlein

