

The Grid

Learning how to run a business can be harder than running one. That's why many entrepreneurs just get their hands dirty and go at it. With a good product and the ability to sell, they do fine for a while.

But usually between 15 and 50 employees they hit the wall. Growth stagnates, frustration sets in and it becomes harder and harder to find good people. You spend all your time on stupid stuff.

It doesn't have to be that way.

The grid evolved out of my frustration learning how to run a business 25 years ago and my frustration 15 years later trying to teach what I'd learned when I began coaching other entrepreneurs. I was frustrated because most of the material available to help entrepreneurs is either **fluff** designed to promote the consulting work of a celebrity or organized by task in such a way that **it takes too long to figure out** how to use it in your business.

The grid gives you a model to understand what it takes to run a business of any size because it's organized by results not tasks. Every piece of info on running a company that I've ever looked at (and I've looked at a lot) fits in here somewhere. As your business grows and changes you'll cycle through the grid again and again each time focusing on just what you need at that point.

Grid Results. If you're having problems the grid shows you where to look first.

Sales – if your problem is sales, check out the Customer Result Area

Profit – if there's not enough profit, look in the Company Result Area

Success – if ongoing success or longevity is an issue look in the Future Results Area

Happiness – the place to look for this is the Owner Results Area

The Grid Level 1

Every successful business – from global Wal-Mart to a consultant working out of a spare bedroom – needs to get results in each of these four areas.

<p>#1 Owner Results Area Giving the owners what they want.</p> <p>What do you want from running your business at this time in your life? I've identified over 20 categories of things business owners want, and only 4 or 5 of them are about money. The systems in this area help determine what the business should look like to give you what you want.</p> <p>If your business were a ship, this focus would be about your destination. Where you want to go determines if you need a speedboat, a cruise ship, or a canoe to get you there.</p> <p>If you have partners, you need systems to make sure you're all on the same page, and have divided up roles, responsibilities and rewards in the most appropriate manner.</p>	<p>#2 Customer Results Area Providing value to customers.</p> <p>Customers give your company permission to survive.</p> <p>If your business were a ship, this is the engine giving you power to move forward.</p> <p>There are two parts to the customer focus: Producing something customers value - and connecting with people who value it so they can become customers.</p>
<p>#3 Company Results Area Making a profit.</p> <p>Systems in this result area form the hull of your ship and keep it afloat. It's the business of running a business.</p> <p>I call this the "bread maker" focus because I put stuff into my bread maker and set the clock. It performs its magic and out pops bread. I don't care about the timers and gears and heating elements. Only the bread. Likewise a customer doesn't care about your internal operations but you had better.</p> <p>There are four sub-groups in this area.</p>	<p>#4 Future Results Area Doing it again and again.</p> <p>Change happens. Faster than any of us would like. To survive you have to be looking toward the future, but most entrepreneurs don't have time to be strategic. That's usually because they're doing everything else without the efficiency of systems.</p> <p>These systems make up the navigational system of your ship. How do you get from here to there without hitting the rocks?</p>

The Grid Level 2

Within each result area, there are different sub-groups. In larger companies these may be departments organized by the skills requires to produce results. Dividing control and responsibility by skill set is **not always a smart move** for a smaller company, especially when each person may need to wear many hats. I think the grid is useful because it focuses on result areas not skills.

#1 Owner Results Area	#2 Customer Results Are
Systems in this area translate your personal and legacy goals into company goals. They include the areas below:	There are two parts to this area. Traditionally, they've been handled by two groups that often don't work well with each other: Manufacturing and Marketing. Isn't it ironic that they both are concerned with the same goal: pleasing a customer?
Desires Money, Time, Challenge, Status, Freedom and the other things you want from running your company.	Producing Value for a customer. Traditionally this has been the job of Manufacturing or Production
Partners should align around sharing the work, the benefits and the equity.	Connecting with Customers who value what you produce. Traditionally this has been handled by Marketing and Sales
Support from the board and advisors	
#3 Company Results Area	#4 Future Results Area
Systems in this area fall into four groups:	The strategic systems fall into three groups. Most important is that you find time to be strategic in a useful way.
Management - How you deal with people	External Environment Adapting to changes
Money - How you track and allocate it	Internal Environment Restructuring for growth
Messages - How you manage information	The Bridge Product mix and pricing
Miscellaneous - other nuts and bolts that keep the holes plugged	

Systems list. On the next page are all the individual systems I've identified (as of June 2006) that a company might use to produce the results it needs. The reason the grid works, is that every company of every size needs results in each of the four areas. But the level of detail and the systems they need to get those results varies from company to company and over time as the company grows. That's what I mean when I say **it takes art and science to build a business.**



The Grid Level 3

Below are the 48 systems I've discovered grouped according to the sub-groups in Level 2.

#1 Owner Results Area	#2 Customer Results Area
<ol style="list-style-type: none">1. Knowing what you want2. Partnership Agreements3. Estate Plan4. Board Agreements & Support5. Personal Skills Analysis	<ol style="list-style-type: none">6. Product7. Procurement/Purchasing8. Product Fabrication9. Product Delivery10. Marketing11. Advertising12. Sales13. RBP14. Distribution15. Client Management
#3 Company Results Area	#4 Future Results Area
<ol style="list-style-type: none">16. Going Mobile17. HR18. Training & Development19. Management20. Monitoring21. Bookkeeping22. Cash Flow23. Financial Analysis24. Decision Making25. Computers & Technology26. Policy & Procedures27. Legal28. Intellectual Property29. Compliance & Regulatory30. Facilities, space & Locations31. Administrative Support32. Outsourcing	<ol style="list-style-type: none">33. Market Changes34. Competitions35. Technology Trends36. Global Environment37. Specific Environment38. Legal & Regulatory Changes39. People Pipeline40. Exit strategy41. Entrance Strategy42. Growth & Systems43. Support Team44. Leverage45. Expansion46. Positioning47. Additions & Deletions48. Pricing

Using a cyclical process. I start by prioritizing based on which systems are in crisis in your company, which ones are doing fine, which ones you don't need at all, and which need some improvement. Then we can improve them but **only to the level of detail as required** for your company's stage and goals.

As your company grows and changes, you'll need to cycle back through each area again and again because a company of a different size has different needs.