

# Thrive and Survive in Business

The Why, What and How of building  
sustainable businesses

Discover which questions to ask  
the pitfalls to avoid, what to do  
and where to find practical help

By Nick Brown

**Published by**

The Endless Bookcase Ltd  
71 Castle Road, St Albans, Hertfordshire  
England, UK, AL1 5DQ

**Printed Edition**

Printed in the United Kingdom.  
Also available in multiple e-book formats at  
[www.theendlessbookcase.com](http://www.theendlessbookcase.com)

**Copyright © 2016 Nick Brown**

All rights reserved

**ISBN: 978-1-908941-58-9**



## Contents

<b>About the author</b> .....	<b>ix</b>
<b>Introduction</b> .....	<b>xi</b>
<b>Reader Guidance</b> .....	<b>xv</b>
When should you read this book? .....	xv
How to use this book.....	xv
Introducing George .....	xvii
<b>Acknowledgements</b> .....	<b>xviii</b>
<b>Review</b> .....	<b>xix</b>
<b>Chapter 1 – Being a Business Owner – The Reality</b> .....	<b>1</b>
Start where you are.....	2
Use what you have .....	5
Do what you can.....	8
Sources of help .....	11
Further reading .....	11
<b>Chapter 2 – Customers</b> .....	<b>13</b>
Questions .....	15
Think About.....	15
What is a customer? .....	15
Finding new customers .....	20
The most profitable customers .....	22
Over reliance on one customer.....	25
Why do my customers buy from me? .....	26
How do I choose the best customers? .....	26

Which customers will help me grow my business? .....	27
Sources of help .....	29
Further reading.....	29
<b>Chapter 3 – Working with People.....</b>	<b>31</b>
Questions.....	32
Think About .....	33
How can I attract the best people? .....	33
Should I use a recruitment agency? .....	34
What about self-employed people? .....	36
What about links with Colleges and Universities?.....	36
Employing friends and family? .....	37
Am I over reliant on one member of staff? .....	37
Changing behaviour .....	40
Employment contracts – Do I need a lawyer?.....	41
Staff security issues? <i>Intellectual Property</i> ? .....	42
Sources of help .....	42
Further reading.....	43
<b>Chapter 4 – Premises .....</b>	<b>45</b>
Questions.....	46
Think About .....	46
Who should advise me? .....	46
How do I find the right premises? .....	47
How do I find out the right price? .....	48
Can I trust my surveyor? .....	49
What about business rates? .....	51
What are dilapidations? .....	52

Should I sign a personal guarantee? .....	52
Should I use a lawyer?.....	53
What about working from home?.....	54
Serviced offices and hubs.....	54
Sources of help .....	55
Further reading .....	55
<b>Chapter 5 - Cash Flow and Gross Profit.....</b>	<b>57</b>
Questions .....	59
Think About.....	59
What is cash flow? .....	59
Where does your cash flow come from? .....	60
Do you know your next month's cash flow? .....	61
How are you tracking the changing gross profit? .....	61
Should you sell the low GP parts of the business?.....	63
Where will the next cash generating product come from? .....	64
Sources of help.....	67
Further reading .....	67
<b>Chapter 6 – Marketing .....</b>	<b>69</b>
Questions .....	70
Think About.....	70
How do you differentiate your business? .....	71
What are your <i>Brand Promises</i> ? .....	72
Which of these differentiators are <i>Emotional</i> , which are <i>Rational</i> ? .....	73
Which are <i>Aspirational</i> , which are to be expected? <i>A Given</i> ? .....	74
How do you manage your relationship with existing customers? ..	74

Which customers are <i>Detractors, Passives or Promoters</i> ? .....	75
How do you manage <i>Customer Experience</i> ? .....	76
Which stories would you like your customers to tell about you? ..	78
How do you measure this? .....	78
Sources of help .....	83
Further reading.....	83
<b>Chapter 7 - Raising Finance .....</b>	<b>85</b>
Questions.....	87
Think About .....	87
What do you want the money for? .....	87
How much will you need? .....	88
How long will you need it for?.....	89
What is the potential upside? .....	89
How will you repay the interest and capital borrowed? .....	89
What security are you being asked for? .....	90
If you are looking for <i>Debt Finance</i> , What is the APR? .....	90
What about <i>Asset Finance</i> ? .....	91
What about an <i>Equity Partner</i> ? .....	94
Which grants are available and how do you source them? .....	95
What are your chances of obtaining a grant? .....	95
What about Crowdsourcing?.....	95
Sources of help .....	96
Further reading.....	96
<b>Chapter 8 - Team Building.....</b>	<b>97</b>
Questions.....	99
Think About .....	99

Who should you have on your top management team? .....	99
Should you grow your business? .....	103
How does employing more staff cause problems? .....	104
Managing teams of people .....	104
How should you build teams of people? .....	105
How do you build confidence in your teams? .....	107
Who should you have in each team? .....	108
How should you reward your best people? .....	108
How to build successful teams? .....	109
Having built your first teams - What happens next? .....	110
What about the review process? .....	112
Managing people is difficult - What are the guiding lights? .....	112
Sources of help .....	116
Further reading .....	116
<b>Chapter 9 - Innovation .....</b>	<b>117</b>
Questions .....	121
Think About .....	121
What about the human barriers to innovation? .....	121
What is your Gross Profit % (GP %) for each product group? .....	122
Which innovation phase are you currently experiencing? .....	123
How does this impact on your cash flow today? .....	123
How will this impact on your cash flow tomorrow? .....	124
Which products should you be selling into which markets? .....	125
Which skills will be necessary for success? .....	127
What is <i>Innovation</i> ? .....	127
Sources of help .....	130

Further reading.....	130
<b>Chapter 10 – Exporting .....</b>	<b>131</b>
Questions.....	133
Think About .....	134
Why should you export?.....	134
What are the opportunities to sell overseas? .....	134
How do you know what they want? .....	135
How do you access these markets?.....	135
Why are British firms well placed to export? .....	135
Sources of help .....	136
Further reading.....	136
<b>Chapter 11 – Exit Strategy.....</b>	<b>137</b>
Questions.....	140
Think About .....	141
When is the right time to sell? .....	141
Who will you sell to? .....	141
Where is the value? .....	141
Are there any cross selling opportunities? .....	142
Which sector? .....	143
What size of business? .....	143
Cash deal vs Shares and cash.....	144
Deferred Consideration .....	145
What is a Price / Earnings (P/E) Ratio? .....	146
How to get cash out and maintain control? .....	147
Sources of help .....	148
Further reading.....	148



<b>Chapter 12 – Communities</b> .....	<b>149</b>
The Owner’s community .....	151
The Staff’s community .....	153
Customer communities .....	153
The emerging village of communities .....	154
Sources of help .....	155
Further reading .....	155
<b>Coda</b> .....	<b>156</b>
<b>Glossary of Terms</b> .....	<b>157</b>



## About the author



Nick has over 30 years' experience in Business Management and Communications. From work with clients such as Army Recruiting Group, BSKyB, Abbey National, Avis Fleet, Securicor, Eastern Electricity, BAA Gatwick, Polygram, Oxfam Publishing, Government Computing and West Midlands Police, Nick has a broad understanding of business growth strategies.

Nick is particularly pleased with the work undertaken to:-

1. Brand Gatwick as London Gatwick - Building International relationships.
2. Build the B2B database for AVIS Fleet - Identifying Growth businesses.
3. Build the MIS System for Army Recruiting Group – Running Government Business.
4. Develop the engagement strategy for West Midlands Police – Community Engagement.
5. Promote the Small Business Rate Relief Campaign – Roll out a National Campaign.
6. Combat *Churn* for BSKyB – Targeted mapping Campaign – Geo Demographics.

Prior to founding the Agency in 1988 Nick was group accountant for *Collett Dickenson Pearce's* below the line Agency RSVP Group. Nick also helped build a public house group from 3 to 15 pubs in 3 years and has worked in financial services for Flemings Bank.

Nick is an experienced trainer, facilitator and workshop leader. He has participated in Executive Education programmes as a student and as a tutor. He holds a degree in Pure Physics from London University, worked with Gary Hamel at London Business School on Change Management and Strategy Implementation on the 1996 Exec MBA course and has been facilitating change ever since.

His specialities include:- Customer Understanding, Customer Engagement, Internal and External Change Management, Customer led incremental Innovation, Brand led Fundamental Innovation, Building Inspiration through Belief and Trust, Empowerment whilst keeping track of activities and ROI.

Nick is currently Chair of Welwyn Hatfield Chamber of Commerce.

## Introduction

I have written this book for all the amazing people whose livelihoods are currently, or are about to become, dependent upon their wits and hard work. That is, those of you who are reviewing an existing business or starting a new one. Be it your first or twenty first venture, this book is designed to help and support you on your journey.

If you are brave enough to take the step into business, you deserve all the help you can get. If you value your business and those who love you, this book is for you.

I was fortunate enough to start running my own businesses in my mid-twenties, which means that I now have some 30 years' experience of the joy and exhilaration of getting it right and the loneliness and frustration of getting it wrong.

This experience tells me that learning to run a business is a bit like learning to ride a motorcycle, rewarding and exhilarating when you get it right, but painful and potentially dangerous when you get it wrong.

My overriding objective in writing this book is to help you succeed by:-

1. Identifying the likely future challenges for your business.
2. Thinking through with you, which skills you have, and which you need to find.
3. Finding you those support skills before you encounter the challenge.
4. Ensuring that you are prepared for the challenges you may encounter.
5. Stopping you taking the wrong advice, that could cost you your business.

I have thought long and hard about my own businesses and the manner in which, full of youthful enthusiasm, I ran headlong into various traps. This book shares with you some of those experiences. If I had my time again, I would have sought out more real business people with real business experience and the right contacts. If I had met those people earlier, they could have helped to steer me through the maze, leaving me free to grow my businesses.

There are three themes that run through the book that are designed to protect you and provide you with a guiding light when you need it.

Those themes are:-

**1. The *WHY?* - *WHY* you are in business**

*WHY* your business is a *Force for Good*.

*WHY* your staff and customers should believe in what you do and support you in good times and bad.

**2. The *WHAT?* – *WHAT* you do today**

*WHAT* you do to generate cash.

*WHAT* you do today to keep your staff, customers and suppliers happy.

*WHAT* you do to maximise your gross profit.

and

**3. The *HOW?* - *HOW* you will build a better tomorrow.**

*HOW* your staff, customers and suppliers support your vision and make it their own.

*HOW* you build the right team around you – **You are not alone.**

**HOW** you define the stepping stones to reach your vision of a better world.

**HOW** you engage with your customers to understand their changing needs.

**HOW** you empower your staff to develop the skills to deliver against those needs.

**HOW** you continuously reinvent yourself.

**HOW** you build a skills base that lets you drive the agenda by being a thought leader.

**HOW** you ensure that your thought leadership aligns with **WHY** you are in Business.

Some 90% of UK start-up businesses fail, 50% in the first 2 years - I don't want you to be one of them.

This is not the sole preserve of start-ups. 80% established businesses fail within 10 years, and there are some very predictable reasons. My first business survived for over 10 years, and I have the scars to prove it. I will share some of those experiences with you.

I will try to show you how the quantifying and measuring aspects of your business, the systems and accounts, can provide guidance to the human elements that actually make things happen.

I will show also you how aligning the values of your brand **The WHY – The Force for Good**, with the current, future and evolving, needs of your staff and customers, will build a community that wants to be part of your success.

In this manner you can all join in the evolving reality, of the steps towards your shared vision. This evolutionary process is one of continual learning. There is a cycle of engage, learn, grow and repeat.

This is how you remain relevant in a changing world and ensure your business thrives and survives.

At this point I would like to acknowledge that there are many people out there better placed to help you than I. So, in each chapter I will try to put you in touch with an expert in your required area. You will be able to consider their suitability by reading their e-books to see what they have done and that they understand your issues. Their e-books may well help you solve your problem, but if they don't you can either contact myself or the authors for more detail, should you need to do so. Always remember -

***You are not alone.***

To this end, my team are building a network of experienced business people, who have demonstrated their skills by producing their own books which have been vetted and vouched for by Chamber members. If you feel that you can help other people's businesses to thrive, please get in touch with me on [nick@welhatchamber.co.uk](mailto:nick@welhatchamber.co.uk) .

As you will see throughout the book I am inviting you join up with existing communities, so you can build your own. I revisit this in the final chapter, but for the minute let's get on with building your business.

***May the Force for Good be with You!***



## Reader Guidance

### When should you read this book?

This book is designed to be kept by your bedside and on your mobile phone, so whether you are planning your next ¼'s activity, trying to think through a particular problem or just looking for a source of ideas, you can pick it up, read the relevant chapter and, where necessary, find some help.

### How to use this book

The book has been structured to help you identify, which challenges you are likely to encounter next, what might be involved and if you would like some guidance, where to find it.

The chapters have been set out in the order of the types of challenges, or growth stages, you are likely to encounter. Each chapter has four sections:-

1. Some often asked **Questions**, a checklist, to see what you know and what you don't.
2. Some things to **Think About**, to help you identify likely challenges.
3. Some **Sources of Help**, access to people, often authors, that we know, and online sources of information.
4. Some **Further Reading**, links to books we recommend.

Scan the Questions and see if they apply to your current or future plans. If they do, read on, if not, skip to the next chapter.

I will have succeeded when you can say:-

***I understand my current growth stage.***

***I understand the potential challenges.***

***I know the skills I have on my team and where the gaps are.***

***I know when and where to find the skills to fill those gaps.***

Where your questions remain unanswered, please contact me on [nick@welhatchamber.co.uk](mailto:nick@welhatchamber.co.uk) and where appropriate we will try to source someone to help you, or to write an e-book addressing your concerns.

Specialist terms are shown in *Italics* and are explained in the **Glossary of Terms** at the end of this book.

## Introducing George

Periodically you will come across George.



***George Says  
“Remember This”***

George is our mutual friend. He provides some “Take Home” or more accurately “Take to Work” thoughts that are designed to give you a phrase that embodies certain concepts.

As you build your teams you can use these phrases to describe a sphere of *Shared Knowledge* and learning within the team.

## **Acknowledgements**

I would like to express my thanks to my wife Lynn my daughter Melanie and all my friends and colleagues that I have learned with along the way, in particular all the staff I have grown with, the customers we have shared success with, The Welwyn and Hatfield Chamber of Commerce, Gary Hamel from London Business School and my friends who have helped with this book, Carl French, David Gill, Jonathan Harradine, Morgana Evans, Neil Deuchar and Steve Harris for the excellent cartoons characters which I hope will make you smile.

## **Review**

'You are never too young or too old to learn and should never take your eyes off the ball when it comes to planning, developing and running your business. This applies at every stage of its development. There are numerous help guides covering every aspect of business development but 'Thrive and Survive in Business' is a step by step guide which is set apart from most by the light yet positive touch with which it is written. Supported by the authors' extensive (over 30 years) and ever developing business experience in the management and expansion of businesses. A succinct warning as to the pitfalls and mishaps that can occur and what action to take, bearing in mind that the CUSTOMER is always at the centre of your plans. Keep it in the top drawer of your desk, on your bedside table and on your computer- in other words always ensure you have it to hand to refer to in times of need'.

### **Tim Collins**

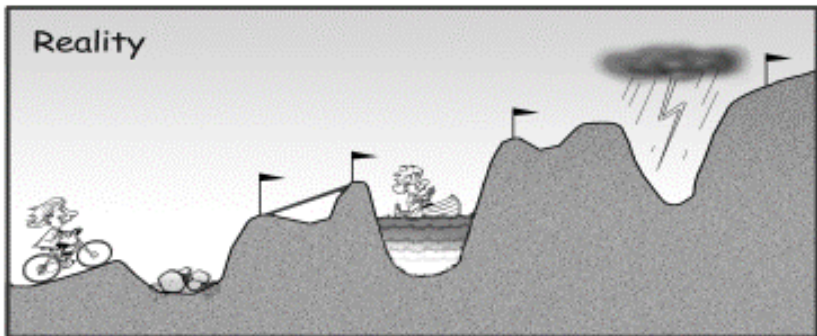
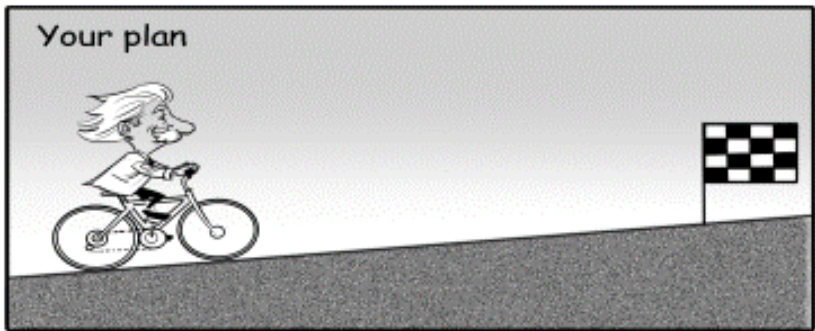
Tim Collins has a reputation for highly creative solutions to brand and business development throughout a long and successful career in management and planning:

Marketing Management and Planning- Reckitt and Coleman, Imperial Tobacco and Sutton Seeds.

Agency Management and Planning - Aalders and Marchant, Ogilvy and Mather Partners and Saatchi and Saatchi.



## Chapter 1 – Being a Business Owner – The Reality



Learning how to negotiate the pitfalls, at each growth stage, is all part of the challenge of being in business. If you know in advance that you are going to need a mountain bike, a ladder, a canoe and an umbrella, it feels like an adventure, if not it can be daunting. A crystal ball is always helpful.

Successful businesses don't necessarily have all the skills, but they do know which challenges are coming up, and where to find the necessary skills to address those challenges - which is pretty close to having a crystal ball.

Arthur Ashe, the Wimbledon tennis champion, who went on to a very successful consulting career, said:-

*“Start where you are  
Use what you have  
Do what you can”*

From 30 odd years of being in business it is clear to me that business owners are often so busy chasing the next sale to pay the bills, that they don't know their business's current growth stage. As a result, they are unprepared for the next challenge.

This can easily turn an adventure into an assault course. One is enjoyable, the other is not.

So let's start out on this journey by preparing ourselves for what is coming next.

### **Start where you are**

Whichever growth stage you are currently experiencing, always start with your guiding light, namely **WHY** you started the business in the first place - your values and your vision. Your belief in these is vital, because it is how you will align the values of your brand *The Force for Good*, with those of your staff and customers, to ensure that you are all pulling together, in the same shared direction.

When you start out, you are driving the business. Over time your business will take on a life and identity of its own. It will become more than the sum of all its parts. For this to happen it is important that all those parts share common goals. As we shall see, this is how you ensure your business thrives and survives in rough seas.