

THE
RECIPE
FOR BUSINESS SUCCESS

Curtis R. Nelson

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INTRODUCTION

*To my parents, Robert and Arline, for providing
the foundation and encouragement needed
to succeed in my early business years;*

*To my wife Lori and children Blake and Krista Shea
for providing the love and support required
to realize ongoing success;*

*To the incredible teams of people with whom
it has been my great pleasure to jointly create
the many business successes of my life.*

PREFACE

This book is for all businesses. Participants, and readers, who are leading established companies, some as old as eighty years, tend to believe that “The Recipe for Business Success” discussed here must be targeted for start-ups or early-stage businesses. Surely the “Recipe” for an existing, established business must be far less extensive; in fact the “Recipe” for driving an existing, even very well established, business is exactly the same.

Changes in the market, from competition, to consumer trends, to the overall global environment, will continually challenge the status quo of even the most established business. Those that believe otherwise will simply fail to take advantage of opportunities and, more importantly, leave themselves open for “unexpected” impacts.

Business fundamentals are as necessary for the experienced player as they are for the novice. In an NFL training camp, all members of the team work on fundamentals each season. Tiger Woods still hits 1,000 golf balls every day, working on basics. Reviewing the fundamentals enables one to excel; the same is true in the business world.

There are many books dedicated to one specific business ingredient or an execution component. This text, however, is designed to help any business review its complete business “Recipe.” It is organized to identify gaps, and, in an educated manner, help you gather and employ the ingredients and execution capabilities needed to improve.

It is my sincere hope that you take the time to use this

book as a guide to significantly improve your business success. I hope you dedicate this time to work “on” your business rather than “in” it and to honestly identify multiple opportunities for improvement.

Enjoy!

A handwritten signature in black ink, consisting of a large, stylized initial 'A' followed by a large, sweeping loop that ends in a vertical stroke.

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INTRODUCTION

Since graduating with a marketing degree (BBA University of Iowa, 1974), I have enjoyed the challenges and excitement associated with creating and accelerating over forty five different global businesses in industries such as: communication, transportation, information technology, medicine, health and fitness, and lawn and garden. While building and leading teams since my early twenties, I have done many things right, and learned many lessons the hard way. In all that time, I have had the passion and drive to make things happen. Every career change has been challenging and exciting; I have learned from them all, good and bad.

Even in situations you do not like, where your business, or one in which you are working, is “doing it wrong” and getting away with it, you can still learn. In most cases, when someone wants to pay you to learn, you should take advantage of the opportunity. While sitting in a Wendy’s® Restaurant in 1985, I sought counsel from a trusted advisor. An information communications business, a company I grew and in which I worked, had been sold to a competitor. The new owner needed the market footprint and brand recognition our business had achieved to expand its product depth and diversity. However, the competitor was a very old business with a science-based, very autocratic process and systems-driven culture. This dynamic was the antithesis of the entrepreneurial, market-driven personality that had made our business successful.

Sold with the deal, I was now challenged with the inte-

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gration of both business teams, and the culture clash was explosive. I was lamenting about the situation to my advisor when he looked at me, over his habitual small bowl of Wendy's Chili, and said, "Are you learning anything?" That stopped my whining. Of course, I was learning all kinds of new things, many by experiencing how *not* to do them. I finished integrating those businesses as best I could and moved on to a new venture in the physical therapy industry, learning along the way.

It was later in my career, during a true "how not to do things" experience, that I started to document the real "Recipe" for a successful business. My responsibility was to drive market introduction and revenue growth for a new, long-haul trucking, wireless communications business inside a Fortune 500 technology contractor. Not only did we need to compete with a major competitor that had a multi-year jump on the market, but it was also necessary to help our business unit understand a commercial execution model with which it had little experience. To aid in that process, I found myself creating a written recipe that illustrated how a successful commercial enterprise looked and performed.

I chose the word "recipe" because all ingredients and execution requirements must be implemented in balance, and in order, to realize the desired outcome. While a business may be very strong in some areas, if it cannot execute a complete "Recipe," it will fall short of its potential or fail altogether. By this time in my career, I had significant experience in businesses having some strong components, but none that had really executed a balanced and complete "Recipe."

While documenting the elements, I was also helping a previous co-worker create a new business in the computer telephony (computer / telecommunications) industry. When

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it became clear that my Fortune 500 employer was not going to adopt the needed approach, and when it also became clear that the new computer company was perched at the beginning of a major change in the telecommunications industry, I resigned and embraced the new venture.

As a footnote, my Fortune 500 employer failed to achieve its goals with the trucking communications division, and within two years it was sold. You will read different stories in this book that demonstrate the reasons for such failure, and you will come to know that big or small, businesses can just as easily make serious “Recipe” mistakes and suffer accordingly.

Jumping from previous positions where my teams had numbered in the hundreds, to an early-stage technology company with fewer than twenty employees seemed risky. I remember my wife saying to me, “You are leaving your current position for a little computer company?” During my first couple of weeks, I sat on the floor in my office until I procured furniture. With this opportunity, I was excited to use the “Recipe” I had been learning and documenting to make this company a real success. From the consulting work I had performed during the start-up phase, I knew they had the first ingredient, a solid initial position in a fast-growing market.

The founder, who had been the chief engineer at one of my previous employers, said to me, “Well, you always said you knew how to grow a business if you could do it your way. I guess we are about to find out.” He was a quality electrical engineer that had designed many successful products in his career, and he had taken the needed risk to start this business.

However, unlike many early-stage entrepreneurs, he was wise enough to know where he excelled and where he did not, and he allowed me to engage accordingly. I owe him a debt of gratitude for taking that risk and for providing me the oppor-

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tunity to help create a company that was on Inc. Magazine's 500 Fastest Growing Private Companies® list three years in row (1997-1999). Unlike many who graced that list in the 1990s, we generated profits of 16% or more every one of those years.^{1,2,3}

As a major provider of OEM (Original Equipment Manufacturer) and branded server communication products to the communications industry, we built a very successful manufacturing company. We created a strong global brand, and we funded our growth with company earnings, not venture capital. For these significant accomplishments, I credit an excellent team of people, another critical "Recipe" component that will be discussed.

Recipe for Business Success

When asked by a reporter in 1999 how our business had been successful enough to earn a spot on Inc. Magazine's list for three consecutive years, I provided the following analogy:

"It's like baking a cake. If you get the ingredients and execution right, success is easier to attain and sustain. We have been continually successful because we have combined great ingredients with great execution, and it has been no harder or easier than that."

This is not to say that a lot of very hard work did not go into that level of success, but no matter how hard we worked, if the ingredients and execution capabilities had not been what they were, the outcome would have been very different.

In 2001 the communications industry collapsed, significantly impacting revenue and operations, but due to the team in place, we turned in a positive year. That feat is one

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of which I am the most proud; others in that industry did not fare as well. Our accomplishments during a significant downturn were again directly the result of having the right “Recipe” at the right time.

Recipes Require Balance

In the culinary world, great results come from a quality recipe that includes the right balance of ingredients (quality and amount) and execution (guidance, talent and resources). Poor results come from inadequacies or lack of balance in any of these areas. The further “off recipe” you get, the worse the results - sometimes even inedible. The same is true in business; a successful “Recipe” balances quality ingredients with excellent execution.

Quality Ingredients for Quality Results

There are two key ingredients required for business success:

- A viable and defensible reason to be in business.
- A business plan that provides the architecture for success.

Just *wanting* to have a successful business is not sufficient. Just because you have been operating for many years and people have always purchased what you offer, does not mean the venture will continue. You must continually provide a product or service that solves a problem or satisfies a need so that people or businesses will exchange money for it. You must make money; if the same product or service is available from other sources, you must continually answer one question – why will they keep buying yours?

You must also be able to specifically identify a target market that is large enough and reachable enough to provide acceptable revenue. In other words, you need to have a defined

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“Fit” in the marketplace, whether you are just getting started or have been in business for decades. My experience as a consultant and executive coach with hundreds of early-stage and established businesses has taught me that this ingredient is the most overlooked. Entrepreneurs start businesses because they can, not always because they should. Established businesses continue for the same reason, and thus, many have offerings that do not line up with market demand, even if such needs had been there in the past. These companies become a business in search of a market, instead of the other way around.

Presuming you can identify a defensible and viable reason to be in business (Strategic Fit), you need to create a quality plan to capitalize on that market “Fit.”

- What is your long-term mission?
 - How will you know if you are achieving it?
- What kind of culture will you need?
 - How will you create and maintain it?
- What assumptions must you make?
 - How will you react if they are not correct?
- What are your goals?
 - Are they measurable and achievable?
- What are your strengths and weaknesses?
 - Have you been honest? Can you capitalize on them?
- What is your marketing plan?
 - Is it based upon a strong foundation?
- What are your operational plans?
 - Will they provide value to your customers and your business?
- What resources are necessary?
 - How will you get them?

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- When will you take action?
 - Who will be held responsible?
- How will you monitor your success and your industry's evolution?
 - Will you take the needed time to work “on” your business regularly?

A good business plan is the foundation of your success; proceeding without one is a big mistake!

Execution - Making it Happen

A great fit and plan are of little value if a business cannot execute effectively. Viable businesses fail on a regular basis simply from lack of, or poor, execution. Quality execution is a combination of three things:

- Talent
- Leadership
- Resources

The right business talent means assembling people with applicable experience and needed capabilities in all major disciplines – marketing, development, sales, operations, information technology (IT) and finance. It also means finding talent that has common goals, aspirations, and working styles so they can execute and win as a team. Far too many businesses have had a great product and failed because personnel were poorly matched and balanced, or because they could never work as a team. In today's competitive environment, it takes significantly more than a great product offering to succeed.

Proper guidance comes from quality leadership. It takes a great leader to assemble the right ingredients, to gather the

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best talent and resources, to provide a clear roadmap, and to create the culture necessary for success. Nearly everyone can recount the effects of a poor leader on a business and on the company's ability to be successful.

Ultimately, to have a successful business you need the proper resources. These essentials include adequate funding, tools, information, personnel and working environment ideally all matched appropriately to your plan. Having more or less of any resource than needed will impact your ability to succeed. Not enough capital? Wrong location? Bad data? Shortage of qualified personnel? All lead to poor execution.

No Mystery to Success

There is no mystery to business success. There are no magic pills or trendy philosophies that make one company better than another. In the business world, quality results come from quality execution with the right ingredients. It has never been any easier, or any harder, than that. Businesses that are out of balance can operate without ever understanding or identifying the related opportunities to improve. Many attain less than half of their potential while considering themselves a success. Some struggle for years.

Other businesses succeed in spite of themselves simply because of unique and supporting market dynamics. If you have the only restaurant and source of food on a well inhabited island, you can serve poor food, abuse your customer base, and still come to believe that you are a great business person because people keep coming back. A real business person will identify the strategic opportunity to provide better food and service and put your poor efforts out of business. In all likelihood, you will blame your subsequent failure on the competition, instead of your "Recipe."

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Many, if not most, businesses that have failed did not understand that not recognizing or addressing serious gaps in their own ingredients and execution caused their failure. These companies adopted the “it’s not my fault – it’s the market’s fault” mentality, rather than truly understanding or recognizing the gaps in their “Recipe.”

This book explains the key ingredients and execution requirements necessary to create and to maintain a successful business. The book provides a “Report Card” that allows you to score your business against the material presented. In the process, you will likely learn that you are missing required ingredient and execution components, and you may realize that you are “out-of-balance.” I sincerely hope you will see the gaps identified as opportunities to improve both your business and your professional performance.

Getting the most out of The Recipe for Business Success

In this book you will find detailed information to help you:

- Define a viable and defensible “Fit” in the market place.
- Write a business plan that will drive success.
- Build a team with the right talent in the right places.
- Improve your business’ leadership.
- Secure and balance the resources needed to win.

With the provided content and supporting resources, you will be able to use this book as a daily guide to improved performance. The supporting resources have been used successfully, many for decades, and they are available on our website at <http://www.recipeforbusinesssuccess.com>.

If you use this book to build the “Recipe” for your business success, it will not be long before you realize that running a successful business really can be as easy as “baking a cake.”