

Working ON your business

I am sure every business owner has heard the expression “You should be working ON your business rather than IN it”, and probably more than once. I have heard this said to many business owners during my career. But what does this mean? Do business owners really understand what the difference is between working ON or IN their business, how much time should be set aside for these tasks and how they can move from working in their business to ON it?

What is meant by working in or on the business?

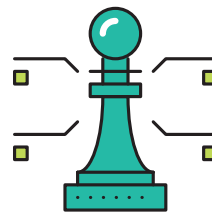
A lot of business owners tend to get bogged down working in their business and then do not have time or energy to step back to work on it. Working IN your business is when you are heavily involved in the day to day operations, you might be fighting fires, doing things the way you have always done them, servicing the current market and existing customers and managing jobs, tasks and employees.

Working ON your business is spending time at a more strategic level, thinking about the future and what your business could be doing. It is setting the strategic direction to transform, improve and grow your business. It is looking at fresh new initiatives, working on building relationships, or entering new markets, improving systems and processes, bringing on new clients and looking for new partnerships. It may also include putting things in place for your future financial freedom, or your time freedom – whatever your goal was when you first started the business – making sure this happens! Doesn't this sound much more exciting!?

Now, for tomorrow

If you don't work ON your business any growth you may experience could come to a standstill, you may burn out, or you may get stuck doing tasks you don't enjoy, or in some cases the business may fail due to lack of strategic direction.

You may be stuck working IN your business due to many different reasons. Time is often a contributor; another is habitually cost savings (especially in the earlier stages of your business). You might think you can't afford to pay someone to do some tasks and it is easier and more cost efficient for you to do them, but have you considered the opportunity cost around what you could be spending your time on and what this time could mean to your businesses future? You may be saving money, but will your business grow to its full potential, or will you burn yourself out in the process trying to do everything? Another reason you might be stuck working in your business is you don't know where or how to start.



How much time should be spent?

There is no set time you should spend working in or on your business, and it will depend on the age and stage of your business as to what is needed at the time. A balance of both is the key, and what this balance looks like for your business will vary from time to time. If you are finding that you are not growing as fast as you want or as fast as your competitors are, it is probable that more time ON your business is needed. If however, you seem to be losing existing customers and market share then potentially more of your time is needed in building on or repairing existing customer relationships.

“If you are wanting the business to grow you need to work on creating a pathway for this to happen.”



How to transition to working on your business

So, if you have realised you are stuck in this position, then how do you move to having the right balance between working IN your business to ON it? A good place to start is your business plan (particularly if you don't already have one) and setting goals and targets to achieve on a monthly and yearly basis and also longer term such as 5-10 years. Ensure you can track and measure these goals to determine whether you are making the traction you need. You may need to update business systems and processes – look to see if you can automate any tasks and make them more efficient using technology. Understand what your weaknesses are and hire the right people who you can trust and whose strengths supplement your weaknesses. Delegate tasks down to these key people. Clarify the roles of your staff members so they know what your expectations of them are, make sure you give some autonomy and authority to these staff members where possible, and if you

find people that are key to your business, put in place ways to retain them and keep them engaged. Most importantly set time aside regularly that is dedicated to working ON the business.

If this has been resonating with you and you want to get started working on your business, I encourage you to take the first step and dedicate some time to making a plan. If this does not come naturally to you and you do not know where to start, then talk to your local business advisor at Baker Tilly Staples Rodway.



About Baker Tilly Staples Rodway.

Baker Tilly Staples Rodway is proud to be a member of Baker Tilly International, a top ten global network of independent accounting and business advisory firms, whose member firms share our dedication to exceptional client service.

www.bakertillysr.nz

