

E-book

# Mind over minutes: build a profitable business

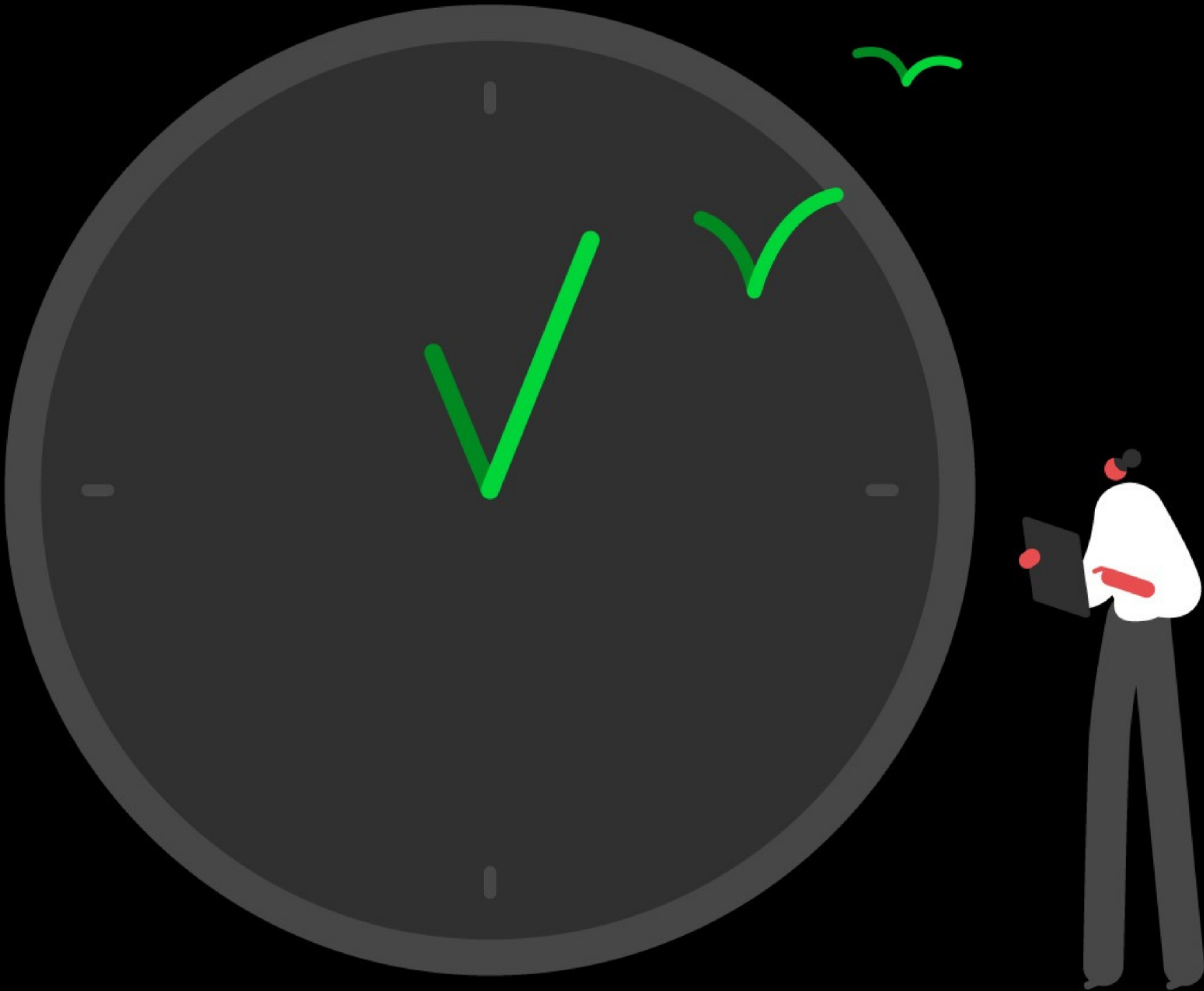
How to take control of your time and focus your mind.

Sage innov8



# Table of Contents

|                                                        |         |
|--------------------------------------------------------|---------|
| You've got this                                        | Page 3  |
| Stage 1: Develop your growth mindset                   | Page 4  |
| Stage 2: Build a productive growth culture             | Page 6  |
| Stage 3: Activate your growth strategy with technology | Page 8  |
| Where will you go next?                                | Page 11 |



# You've got this

Running a small business can be relentless. From global challenges—like rising energy costs and shifting economies, to ones faced only by you—like key people leaving or losing your biggest customer.



Tough weeks, months, and years are guaranteed. Fortunately, as a small business owner, you're likely blessed with creativity, grit, and a fighting spirit. You've already tackled adversity and won. But sometimes, it can all get too much. And that's ok.

## **Prioritise your health**

To keep your business healthy, you need to keep yourself healthy first. That means practicing self-care and making it the priority it should be. It also means managing your time effectively, so that you can reduce stress and work more productively.

You can do this by using technology to complete admin tasks that soak up your valuable time and attention. Focus that you could be spending on strategic thinking or more personal things.

*“Doing my accounts is a bit like a time sponge. It's really time consuming. Anything that can help me along that journey and make my life easier, give me five minutes more to spend with my daughter or get to the pub earlier on a Friday night, I will honestly take it on.”*

**Kayleigh Shore, Be Diddy Kids Vintage**

This e-book reveals a clear path to productivity and profitability, starting with practical advice on developing a growth mindset that will help your business not just survive but thrive. It then looks at how to tap into the power of technology to automate core tasks so you can focus on what really matters. It's split into three stages, each with a key takeaway and an immediate action you can take right now. This will help you to prepare yourself and your business for whatever happens next.

## **Choose the right path**

When faced with challenging times, many businesses go on the defensive. They either pause or scale back any ambitions for growth, and they prioritise short-term revenue over long-term profitability.

This is the biggest mistake you can make. While you shouldn't forget about short-term revenue, neglecting profitability is a huge risk. It may seem like you're playing it safe, but businesses that stay on the offensive will go beyond survival and come out of tough times in a much stronger position than you.

So, what can you do to make profitability a higher priority? You need to drive continuous growth. And this can only be achieved with the right mindset.

# Stage 1:

# Develop your growth mindset



It's one thing to say "be more productive and profitable", and another to actually do it. But before you can conjure up any form of plan, you need to get in the right mindset. Because the path to productivity and profitability starts with you. As a human being, not as a business owner. If you don't have a growth mindset, there are endless reasons your strategy may fail.

## What is a growth mindset?

The belief that talent is something that can be developed rather than a fixed innate gift. Those with a growth mindset achieve more by pursuing continuous learning, collaborating with others, and being willing to take risks.

This chapter suggests three essential elements to build a growth mindset that will nurture profitability. Looking after your body like this will benefit your mental health—make sure you dedicate time to this.

## 1. Put your health first

Your health isn't optional. It should be your biggest priority—even more so during tough periods. Without it, you can't perform at your best and support others that need you. And you certainly can't do what it takes to grow profitability. You have to put yourself first, and you don't need to feel guilty about doing so.

James Ashford, VP of GoProposal, points out why so many of us tend to neglect this in favour of working:

"The reason you don't find time to focus on your health is because it hasn't been prioritised. It needs to be number one. You need to be spending 30 minutes to an hour a day getting your body moving. It doesn't have to be anything crazy. It can be as simple as going for a walk."

Steps to protect your mental health:

- Stop watching the news.
- Add blocks of free time in your calendar to ensure you take regular breaks and aren't in meetings all the time.
- Focus on improving productivity so that you have more time for yourself.
- Reduce the time you spend with negative people.
- Protect your work-life balance by setting immovable boundaries.
- Develop gratitude and help others in need when you can.
- Use tools like therapy, meditation, and breathing exercises to manage stress.

## 2. Take control of your growth

Growth doesn't just happen. You have to make it happen. Whether it's audiobooks, YouTube videos, podcasts, or courses, there are limitless ways you can become better, more positive, and smarter.

It doesn't just have to be learning, either.

You could spend time reflecting on your business, work on developing your processes, or meet regularly with your team to discuss what they need to do their best work.

The reason this approach is powerful for your mindset is because it doesn't allow negative thinking to come in. Dedicate as little as 30 minutes a day to this and you'll make consistent progress towards making your business more profitable.

## 3. Aim high—it's OK to fail

In tough times, many businesses lower their targets. They think that the additional challenges mean their usual level simply can't be hit. This is harmful when it comes to developing a growth mindset. Instead, you should aim even higher than you usually would.

Once you realise that it's OK to aim high and fail, you'll achieve great things—even if you don't reach your targets.

In an extreme example, you can set a goal that seems ridiculous even for 'normal' times: Let's say, double your fees over the next 12 months. Even if you only managed a 20% increase, you'd still have created more profitability than if you'd set a negative goal, such as reducing prices to retain clients.

## Key takeaway

Productivity and profitability start in your mind. By developing a growth mindset, you build a foundation to confidently execute the strategies that will help your business thrive. To do this, put your physical and mental health before everything else, be proactive in driving personal growth, and aim higher than you usually would.

## What to do now

Make the commitment to prioritise your mental and physical health. If this is new to you, remember to start small—a walk outside in the fresh air for 30 minutes is better than nothing\*. If you're already active, just focus on staying consistent, and remember not to skip rest days.

For your mental health, explore some mobile apps that can help you find a bit of space, and try to reduce your exposure to negativity. Add sessions to your daily routine to protect both sides of your health and don't let anything else encroach on them.

\*Remember to consult with your doctor before undertaking any new exercise plan.



# Stage 2:

# Build a productive growth culture

Productivity and profitability start with you, but they don't end with you. You'll need the help of others at every step on your journey. The people in your team are facing challenges too, so you should do everything you can to create a positive environment that supports profitability and helps everyone to work productively.

This means embedding growth and a productive culture into your business, and there are three effective ways to do this.

## 1. Listen to your people

You need to get an idea of the current state your culture and gauge how far the road ahead is. Schedule regular 1-2-1 sessions with your team and invite them to be open and honest about the way things are working. If you don't learn much from your first few chats, it might be because people feel they aren't in a safe environment.

To build this, take action on the back of every catch up you have. If someone raises an issue, do something to fix it, or at least start working on it, and check back in with them.

Also, encourage suggestions for new ideas and ways to improve productivity. Give things a try or share them with the wider team for consideration. Jonathan Gaunt, founder of FD Works and co-founder of Xavier Analytics, talks about the power of group discussions too, where each person in the business is encouraged to contribute:

“We use circle discussions, where we go around and give each person a chance to speak. Another method is called 1-2-4-all. This is where you give each person a minute to think, then put them in pairs to discuss for two minutes, then put pairs together to discuss for four minutes, and then everyone comes together to share their conversations with the group.”

## 2. Help your team find balance

A happy team that has a good work-life balance is a productive team. Though essential for any business owner, the advice in Stage 1 of this e-book will also benefit every person in your team. Inspire every person to put their health before everything else. Encourage them to be proactive in their personal growth. And give them the confidence to aim high. Beyond rallying your team, you also need to take action that empowers them. You could:

- Invest in your benefits package to introduce a gym scheme, or provide access to a mental health app.
- Introduce a company-wide schedule that gives each person a set amount of time per week for self-development or invest in resources like online courses or physical books.
- Recognise and reward your people when they aim high. If targets aren't met, learn from the experience and move on.
- Encourage out-of-the-box thinking, run ideation sessions, and get everyone in the business to contribute.
- Remove obstacles that soak up time, cause people stress, and pull focus away from more valuable work.

By helping your team to develop the same growth mindset, you're removing barriers along your path that will otherwise stall growth.

### 3. Empower productivity

Productivity is a huge part of your business' culture, and it can have a big impact on profitability and business growth. This happens in two ways:

- **Directly:** The obvious one is that if your people produce a higher quality output, you'll generate a higher profit. This could be through charging customers more or serving more of them within the same time frame.
- **Indirectly:** The less obvious one is how productivity impacts mentality. A more productive worker will be under less pressure, get more satisfaction from their role, and have more time to think. This translates to profitability through better performance, collaboration, and retention.

With these benefits in mind, you should take every opportunity to nurture productivity within your company culture. By doing this, you're saying to your people "our mental energy should be spent on finding ways to grow". You're giving them more time to innovate, to take a step back and look at the bigger picture, and review what's working and isn't across the business.

Having more time and space also shifts the mentality of your people away from fear and towards growth. This is because, when time is tight, they feel as though failure isn't an option. But, if you want your team to find ways to grow the business, failure is essential. Only by coming up with bold ideas, having the confidence to try them out, measuring the results, and making improvements, can your team reach its full potential.

So, you need to maximise productivity to alleviate as much pressure as you can.

One of the most common productivity killers is admin. And perhaps the biggest opportunity to combat this is automation, which can reduce and even eliminate certain manual tasks that soak up your time.

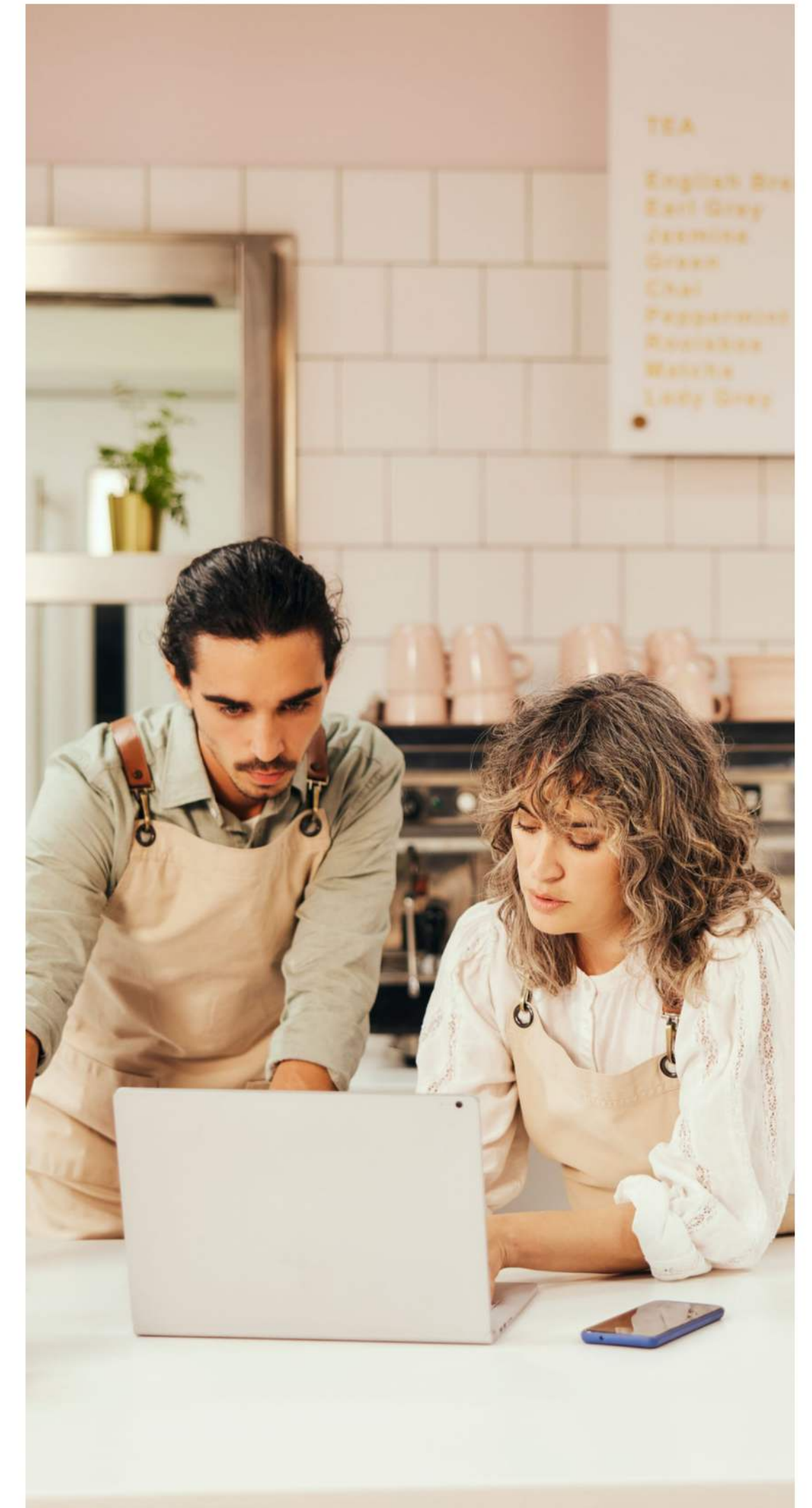
The right solutions can give you streamlined workflows in accounting and bookkeeping, marketing, sales, and more. By improving productivity in all these areas, you can focus less on admin and more on the things that matter most—your business or even time spent outside work with family and friends.

#### Key takeaway

Start to establish a growth culture within your team. Do this by making sure your people feel heard and valued, facilitating the right mindset, and knocking down barriers to their productivity. This will empower your people to spend more time, energy, and attention on making the business profitable.

#### What to do now

Book your first 1-2-1 sessions with your team members. Explain the goal of these new regular catch-ups, and make it clear these will be a high priority. After you've run your first round, reflect on your current culture and act on what you learn.



# Stage 3:

# Activate your growth strategy with technology

Once a growth mindset has become part of your every day, you're ready to create and execute strategies. This should be a collaborative process that rests on clear and frequent communication. You need everyone aligned, both with where exactly your business is heading, and how you're going to get there. These three strategies will help you stay profitable, even in the toughest conditions.

## 1. Build a growth plan

To grow your business profitably, you'll need a clear and actionable plan. This should include a specific target and the steps you're going to take to hit it. Create this by combining your experience with concrete insights from your financial data. Use a quality accounting solution to:

- **Run financial reports:** Which help you spot problems, take action, and regain control over cash flow. They also reveal areas for improvement, show where you need to invest, and lead to smoother collaboration with your accountant.
- **Analyse customers:** See the profitability of individual customers, including how much they spend, how quickly they pay, and which products they need and when.
- **Review your products and services:** Discover which are the most profitable and which you should probably drop.

This will reveal where to focus to increase profitability. You can then set measurable growth targets that keep you and your team motivated. Examples of growth targets include:

- Introducing a new product or service.
- Boosting marketing to increase sales.
- Setting up in a new region.
- Acquiring another business.

## 2. Create systems for your people

When you've got your growth plan in place, ensure your systems don't hold it back. To enhance profitability, put as much space between costs and revenue as possible. This can be done by reviewing your current systems and finding which need to be improved or replaced in order to better serve your people. Pay particular attention to:

- **Admin:** How do you minimise the time you spend on manual tasks?
- **Communication:** How open are you with customers? Are you prompt and honest when things go wrong?
- **Marketing:** What steps do you take to increase awareness of your brand and generate sales leads?
- **Sales:** Are there additional products you could be upselling?
- **Recruitment and onboarding:** Do your new starters have everything they need to hit the ground running?

Continually document and review any new systems you put in place. If you discover that you don't even have a system for some processes, you may be placing an unnecessary burden on your people, so focus on getting them set up. Again, look to use automation to reduce admin wherever you can, as this will give your people more time to work on what they enjoy and add value to the business.

### 3. Master the fundamentals

Take a step back and look at the fundamentals of your business. Are you managing cash flow as best you can? Keeping a close eye on the basics is essential no matter what's happening in the world, but it's even more important when you have an ambitious growth plan in place. Short term issues like a lack of access to capital, not being able to get a loan when you need it, or having too much debt at once, can all knock your long-term goal off course.

Make sure you:

#### Get paid on time

Late-paying customers strain your cash flow. In a challenging economy, you might find this happens more often. They may be struggling themselves and delaying payments as a way to manage their own finances.

It's important to stay on top of this and not let late payments get out of hand. Be friendly, firm, and professional when chasing payments. Use automated reminders for invoices if you can, and make sure payment terms are crystal clear before any work begins.

There are also proven ways that technology can help you get paid quicker. In Sage Accounting for example, you can send quotes and estimates while you're in a meeting with the customer, allowing to sign it off then and there.

You can then instantly turn this straight into an invoice and send it to their accounting team. These capabilities make the entire payment experience faster, more transparent, and more professional.

#### Run reports regularly

We've already mentioned the benefits of good financial reporting. But to get the most out of your data, you need to do this consistently. Some types of reports you'll want to run every week, others only need to happen every quarter. The key is to avoid skipping reporting sessions, and make sure your system uses real-time financial information. If your current solution makes the reporting process take too long, consider looking for one that provides more speed and flexibility.

This will give you full visibility of your cash flow each month, helping you to make better financial decisions.

#### Create forecasts

Where reports look to the past, forecasts look to the future. They help you plan ahead and figure out what you'd do in possible financial scenarios. For example, if revenue were to dip by 20% next quarter and a large expense such as your energy bill were to jump by 50%, how much cash reserves would you need to build up to stay comfortable?

Exercises like this one help you make strong decisions early, allowing you to prevent more difficulties in the future and keep your business financially healthy.

#### Build cash reserves

Regardless of what your reports and forecasts reveal, saving cash is always a good idea in a challenging climate. Because having access to money is a huge driver in how flexible you're able to be. If you've got good reserves, you can respond to unexpected market shifts quickly. You can also take more positive actions that others can't, like increasing your marketing spend to capitalise on what might be a quiet time.

#### Don't over stock

Speaking of flexibility, over stocking products and materials will only weigh you down. This is because demand can change quickly, and if you've purchased stock that you suddenly can't sell, you've basically tied up cash that could have been used elsewhere in the business.

Little and often is the way to go. Though some suppliers offer better prices when buying in bulk, it's better to prioritise financial flexibility over cost, at least until steadier times return.

**Keep up with tax compliance**

Failing to meet financial regulations and making tax return mistakes can result in hefty fines and operational disruption. This can really impact your long-term plans, so use software to keep digital records and submit tax returns in line with the latest legislation. This will reduce human error, speed up the process, and make it far less stressful.

**Key takeaway**

Collaborate with your team to create and activate strategies aimed at achieving profitability. Start by building a plan with measurable targets, review your systems to ensure they aren't creating obstacles, and master business fundamentals. This will give you the time, space, and insights to drive what really matters—growing your business.

**What to do now**

Hold an ideation session to determine what growth should look like for your business. Look at this through a lens of profitability rather than revenue and aim high in what you hope to achieve.



# Where will you go next?



The only certainty in business is that challenging times will come. But remember—you're an entrepreneur. You were built for this, and you've got what it takes to keep going through the toughest days. Don't limit yourself by pausing or scaling back your ambitions for growth. Or by prioritising short-term revenue.

Instead, develop a growth mindset that will help your business become more profitable. Put yourself first, paying particular attention to your health. Then support those in your team by building a productive environment they can thrive in and creating more time for enjoyable, high-value work.

Finally, set some direction with an insight-driven growth plan, create systems that enhance profitability, master business fundamentals, and ensure you have the right technology to keep everything on track.

If you're looking to automate key processes, gain more visibility of your finances, and spend more time on the things you love, Sage Accounting is a great place to start.

In Partnership with:



Innov8 is a leading provider of Sage 200 solutions. We are a Sage Business Partner and Sage Tech Partner (Developer) and have been for over 25 years.

We aim to provide solutions to business problems whilst providing Excellence Through Innovation.

[www.innov8.co.uk](http://www.innov8.co.uk) | [info@innov8.co.uk](mailto:info@innov8.co.uk) | 0330 995 1600

**Sage** Business Partner

**Sage** Tech Partner



©2023 The Sage Group plc or its licensors. All rights reserved. Sage, Sage logos, and Sage product and service names mentioned herein are the trademarks of Sage Global Services Limited or its licensors. All other trademarks are the property of their respective owners.