



Week 8 – Being A CEO

Today we begin the third phase of the World-Changing Business process – **the Create Phase**. This is where the rubber hits the road. This is the phase of manifestation.

In this phase you will bring into existence something that does not exist today.

To effectively do this, it's important that you put on the hat of the CEO.

The CEO of a world-changing business is obsessed with an optimistic picture of a better future. This is the one core message I want you to leave with today.

This is the core distinguishing factor between the average business owner and a World-Changing Business Owner.

In the next several weeks, we will be focused on the Create Phase. It's important to begin this phase *not* by idly diving in and starting to build products, websites, partnerships, and the long list of other things you might eventually choose to create.

Rather, it is important to begin this phase with a heightened sense of how you want to create this amazing business you are building. I would assert that by building it as a CEO, rather than as a worker bee would make all the difference.

Are you familiar with the difference between “working *on* your business” versus “working *in* your business?”

Michael E. Gerber coined this terminology in the book *The E-Myth Revisited*. To illustrate the difference, let's say Mary owns a bakery that sells donuts. Mary got into the business of baking donuts because she loves donuts and she's particularly good at baking them. Her friends and family had been telling her for years how great her donuts are, and they keep telling me her should start a business selling them. So she decided to open a store, hang a shingle and bake donuts.

Here's what happened...

Mary wasn't sure how many donuts to make her first day, so she figured she's plan for 800. It seemed like a good number. So she bought the ingredients and on opening day, she went to her new bakery early in the morning and made her first 800 donuts. At 7 AM, she opened the doors and put out the sign to say that she was open for business.

Then she waited. And she waited. After a little while, a woman came in, walked up to the counter, and Mary happily greeted her and asked what kind of donut she'd like today. The woman smiled and said, “Oh, no donuts, thank you. I really just want a cup of



coffee.” Mary’s smile faded. She didn’t have coffee. Only donuts. So her first customer walked away empty handed.

Mary learned her first lesson: it’s important to understand the needs and expectations of your market. The business isn’t about Mary’s donuts, it’s about fulfilling customers’ needs. This is the foundation for good customer service.

Knowing that coffee is an essential part of having a donut business would have been obvious if she’d done some homework, visited some other donut shops to see what they have to offer.

That day, Mary ended up selling about 35 donuts. Way less than she expected to sell. She ended up throwing away more than 95% of her product, leaving her well in the red for the day. She figured that by putting up a sign people would just walk in. Mary learned that hard way that it’s just not that simple.

This taught Mary several lessons.

Mary’s second lesson: People won’t come unless they know that your business is offering something they want. It’s essential to have a good marketing plan in place that attracts and brings customers to your door.

Mary’s third lesson: Don’t just guess when investing dollars in your business. Every dollar spent – whether it’s on product, sales, marketing, or packaging – needs to be put into the context of the larger business. Having a budget based on real information can help you plan and invest wisely.

The main problem with Mary’s approach is that she was spending all her time “working in her business” versus “on her business.”

Mary was fully focused on making donuts. That’s what it means to be working “in her business.” She has very little focus working *on* her business. If she had, she would have accounted for these very essential business components.

Mary wasn’t being a CEO. She wasn’t obsessed with an optimistic picture of a better future. She was stuck in the weeds of her day to day, and thus was unable to see which direction to move her business.

A business has six key components, or Six Key Pillars, as I call them:

- Your Product or Service Development
- Your Marketing
- Your Sales
- Your Money
- Your Customer Service and Operations
- Your People



In Mary's example, the only part of the business she gave any thought to was her product. Whenever you get trapped focusing only on your service or product, you are guilty of spending too much time *in your business* rather than *on your business*.

Today's conversation is intended to get you thinking differently about your role in your business. As a solo-entrepreneur, it's necessary for you to wear lots of hats. Sometimes you are the Director of Marketing, sometimes you're the Treasurer, sometimes you're the product developer, and other times you're the President. It might be tempting for you to spend most or all of your time in one or two of these six main buckets. But in order for you to build a thriving business, it's essential that none of these areas are forgotten.

It's also important to note that at different times in your business, it makes sense that you will want and need to spend more time in certain areas. For example, in my own experience, I learned that during the start-up phase of a business, at least 40% of all time and resources should be spent on marketing and sales. – ***Which marketing and sales? – well that totally depends on your long-term goal, your milestones, and your strategy.***

The key is to be clear and present about how you strategically want to spend your time, rather than just letting your time run you.

How you spend your time should be aligned with your long-term goal, milestones, and strategy.

In the coming weeks, first we will take time to create a step-by-step plan for the next 12 months – a plan that follows the course of your milestones and strategy. After that, we will spend time looking in depth at each of the Six Key Pillars of Business.

Sitting at the top of these six business areas is the role of the President, CEO, and Business Owner. When you put on the CEO hat, you are “working on the business.” In every other role, you are “working in the business.”

This week, I invite you to start seeing yourself as a business owner. See yourself as a CEO.

For example, as a participant in this course, you are sitting here today with your CEO hat on. You are not working in the details of your business – you are working ON your business.

What is the role of a President/CEO?

- Keep the overall over vision of the business on target
- Make strategic plan is in place
- Measures goals and sees how you're doing
- Visionary
- Keeper of the vision



- Decision-maker
- One responsible – everything
- Leader of the vision – culture, environment

Aside from being obsessed with an optimistic picture of a better future, the CEO has several main duties:

The first duty: Set the vision, strategy and direction of the business.

Knowing where you want your business to grow and specifically how you want to nurture that growth is critical for the long-term health, success, and survival of your business. It's also what makes it possible for you, the business owner, to actually achieve the fulfillment and results (whatever they are) that you consciously and unconsciously hope to attain by having a business.

Not fulfilling this CEO duty, your business can never really become what you deep down hope that it will. You'll always be chasing that "someday" feeling.

To take on this duty, ask yourself these questions:

- What is your vision?
- What specific strategies are you using to get there?
- What are your business goals and milestones?

The second duty: Build the culture of the business.

Work gets done through people, and people are profoundly affected by culture. A lousy place to work can drive away high performers. After all, they have their pick of places to work. And a great place to work can attract and retain the very best.

The duty of building culture is noticeably forgotten by small business owners, especially solopreneurs, who believe that they are the culture, and thus there's no need to pay attention to it. This is a huge mistake.

When asked, most small business owners will say that they want to create a culture of team-work, work-life balance, and commitment to personal growth. Yet most small business owners actually live the exact opposite reality -- they try to do everything themselves, work themselves to the bone, and never get to develop beyond what they're already doing because they're too busy struggling to stay afloat. Even the best intentions are lost without real focus and clarity.

The culture of your company begins first and foremost with you.



To take on this CEO duty, ask yourself these three questions:

- What kind of working environment and culture would you love to create?
- What parts of your business are not operating from this culture?
- What are three things you can immediately change to bring the desired culture into your business?

The third duty: Team-building.

Amazing businesses are built by extraordinary teams. It's not just about you, your talents, and your dreams. When you have a team, something much larger is created. Something that can far exceed the constraints, beliefs, and talents of just one person alone.

Your team consists of you, your employees, your business partners, any consultants, vendors, and suppliers. It really includes everyone that has anything to do with building the Six Pillars of your business. It also includes any friends or colleagues that support you in any way.

Again, many small business owners believe they are exempt from team-building because perhaps they have no employees or only a few. But it's these small business owners that are most in need of team development.

For example, if you are the one who pays the bills *and* manufactures the products, you are actually playing the part of two team members -- the book-keeper and the factory worker. Have you stopped to reconcile the struggles between these two parts of yourself? Have you reconciled the part of you that wants you to get the product out the door as fast as possible in order to get more money in the bank, versus the part of you who wants to create the absolutely perfect product with zero defects and ten thousand bells and whistles?

Only if you're wearing the hat of CEO and paying attention to such things will you notice that your team (even the team that lives in you) may not be playing so nicely together.

To take on this CEO duty, ask yourself these three questions:

- Who are all the people who make up your team and what are all the roles they play (including yourself)?
- What are three specific, extraordinary results you would like to see occur, as a result of the talents, coordination, and spirit of your team?
- What are three ways you could make your team extraordinary? What are three specific ways you can improve the overall effectiveness and cohesion of your existing team?

The fourth duty: Set the budget within the company.



A CEO funds projects which support the company strategy, and ramps down projects which lose money or don't support the strategy. A CEO considers carefully the company's major expenditures, and manages the firm's capital.

Many small business owners shoot from the hip when it comes to finances. Unlike the IBM's, Microsoft's, and Procter & Gamble's of the world that have annual budgets which the employees are expected to uphold, small business owners put way less thought into each purchase and rarely stop to consider whether their spending complies with the overall direction of their business.

The main reason small businesses fail is due to inadequate funding. The reason stems from poor budgeting and lack of discipline on the business owner's part.

Having a budget enables you to get real with yourself. Reality is where fulfilling, successful businesses are born.

Having a budget and following it is *the number one way* to ensure the long-term success and health of your business. Having a budget helps you see what's truly necessary to be successful. It helps you know when to hire people, which people to hire, and what you can afford to pay them. It helps you know which products and services are making you money, and which ones are bleeding you dry. It lets you know how much you can spend on marketing and which marketing tactics are feeding you customers.

Following a budget enables you to have a smart business.

To take on this CEO duty, ask yourself these three questions:

- What do you estimate your expenses for the year will be? Break them down into one-time and recurring monthly expenses.
- Based on what happened during the last twelve months of your business, estimate your expected revenues for the year, per month. Notice if you are breaking even (revenues at least as much as your expenses).
- What project is most important for this year? How would you need to shift your budget to reflect this priority?

The fifth duty: To chart the course of the business.

As stated in duty #1, it's the CEO's duty to set the vision, strategy, and direction of the business. Out of this duty is born this other duty: the duty to ensure that the business consistently and effectively follows that prescribed path.

Most business owners react to their business, rather than manage their business. In other words, most entrepreneurs spend their day putting out fires, responding to requests from others, and doing whatever possible to keep up with whatever gets thrown at them. Sound familiar?



Nowhere inside this paradigm is there room for following your larger vision or direction. Instead, you're following everyone else's.

Business owners are typically in respond-only mode. It is the rare exception that is actually able to spend consistent energy and time moving consciously toward in the direction visioned.

This is why it's essential to have clear, measurable and achievable milestones that chart your course toward your business vision. Each milestone becomes the #1 priority for operating your business, and one by one, your milestones lead you to the fulfillment of success and actualization.

To take on this CEO duty, ask yourself these three questions:

- What is the #1 priority for your business this year?
- What goals can you set for each of the Six Pillars of your business to reflect that priority?
- To measure the success of each goal and ensure you stay on track with your #1 priority, what specific quantitative metrics could you track monthly for each of the Six Pillars of your business?

Again, while these key roles are all important – the one thing to remember is that The CEO of a world-changing business is obsessed with an optimistic picture of a better future. This is the one core message I want you to leave with today.

What are actions or activities that you can take that are aligned with the CEO role?

- Look at everything the first day of the work week
- Making decisions about actions that need to be taken
- Communicating to the team
- Building a strategy
- Building a team
- Truing up the culture with the reality – joy – where I could create joy –
 - To restore me – to think of an endless fountain
 - Have a morning session
 - Ring a bell
- Business planning
- Creating a plan
- Deciding product strategy
- Deciding marketing strategy
- Set a budget for my website – makes projections of what that – find out what you don't know by asking other people
- Get my employee to go over an open up a separate bank account
- I'm struggling with accountant

- Working on strategic plan

What actions would not be considered CEO role actions?

- Writing brochures
- Billing
- Trimming Trees
- Website Development
- Returns phone calls
- Details
- Working on a product
- If I were to balance my checkbook
- Invoicing
- Paying bills
- Coaching
- Service

It's critical that as a solo-entrepreneur you start to see yourself in these different roles.

This week, I invite you to start thinking of your self as the owner of a business – a business that flourishes based on the health and attention of six main areas of attention -- Your Product or Service Development, Your Marketing, Your Sales, Your Money, Your Customer Service and Operations, and Your People.

Action Steps

- Prepare for your laser session with me by wearing the hat of the CEO and going back through and fine-tuning the following elements:
 - *Your Decision Manifesto*
 - *Your Life Purpose*
 - *Your Vision Quadrant*
 - *Company Core Purpose*
 - *Company Core Values*
 - *Your 5- to 30-Year Long-Term Goal*
 - *Your Vivid Description*
 - *Your Overall Company Strategy*
 - *Your Milestones*

It is essential that you have a Long-Term Goal, a Strategy and Milestones. These will be of utmost importance moving forward.
- At least 24-hours before our 1-1 session, send me an email with “Vision, Strategy, and Milestones” in the subject. Then in the body of the email put the following items (in whatever form they are in – they don’t need to be perfect):
 - *Your Decision Manifesto*
 - *Your Life Purpose*
 - *Your Vision Quadrant*
 - *Company Core Purpose*



- *Company Core Values*
- *Your 5- to 30-Year Long-Term Goal*
- *Your Vivid Description*
- *Your Overall Company Strategy*
- *Your Milestones*
- Notice how much time you spend in each “area” of your business. To find out, get seven note cards and label them as bulleted below. Carry the note cards with you all week. Pull out the one that best expresses which hat you’re wearing in the moment. At the end of the week, determine how much of your time you are currently spending wearing each hat.
 - Wearing the CEO hat
 - Wearing the Product or Service Development Hat
 - Wearing the Marketing Hat
 - Wearing the Sales Hat
 - Wearing the Money Hat
 - Wearing the Customer Service and Operations Hat
 - Wearing the Human Resources/People Development Hat
- Spend time this week thinking of yourself as the CEO of your company. Take one action each day that fits the CEO role.