

Contents

Foreword	ix
Preface	xi
1 Managing Business Growth	1
Making the transition	1
The relevance of management theory to growing businesses	4
Managing effectively and efficiently	7
Setting realistic goals	9
Synopsis of the book	10
2 Making Sense of Strategy	13
Strategic issues: Setting the scene	13
The <i>Titanic</i> : A salutary lesson in strategy	14
Review of current performance	15
Analysing competitive forces	17
Market segmentation: Defining customer behaviour	18
Strategic marketing analysis	19
Distinctive competence	21
Hygiene factors	21
Defining core competences	23
Completing the strategic review: SWOT analysis	26
Setting strategy	28
Phase 1: Setting out the options	29
Phase 2: Evaluating the options	32
The chosen strategy	35
Stretching your organization	36
Organic growth vs merger or acquisition	37
Notes	38
Further reading	39
3 Marketing for Profit	41
Customer behaviour	41
Market segmentation	45
Profiling the customer	47
Competitor analysis and distinctive competence	47
Market positioning	48
The marketing mix	51
Products and product differentiation	52

Pricing	53
Place: Channels of distribution	54
Promotion: Communicating the offer	55
People: Organizing the marketing function	57
Relationship marketing	60
Customer relationship management (CRM)	62
Customer feedback	63
Market research	66
The marketing plan	67
Postscript: Action on ABCO's marketing problems	72
Notes	73
Further reading	73
4 Developing an Organization that Delivers the Strategy	75
Understanding organization	75
Organization maintenance and development	76
The origins of an organization	77
How organizations work: Structure, people, processes and systems	79
Structure	79
The form of the organization	83
People	83
Processes and systems	88
Specifying jobs and the people to fill them	90
Other influences on organization	91
Organizational diagnosis: How to overhaul your organization	92
Further reading	96
5 Getting Performance from People	97
Attention to task and to people processes	97
People and productivity	98
Personal resources and self-management	99
Managing priorities and getting things done	99
Understanding motivation	101
Positive motivation, dissatisfaction and demotivation	104
Getting performance from people	106
Managing performance: A framework for practice	108
Briefing and 'contract setting'	108
Monitoring	112
Feedback and review	112
Dealing with entrenched performance problems	116
Feedback, learning and growth	116
Notes	117
Further reading	117
6 Leading the Team	119
Power in the growing organization: Making it safe to delegate	119
Leadership and delegation	120

Leadership style	121
Working with teams	125
Balancing attention to task with attention to people and processes	128
Team roles: Composition of the successful team	129
Stages of team development	132
Matching team processes to task and situation	132
Finding the people for the team	136
Aligning people with purpose: Using performance appraisal effectively	136
A workable appraisal system	138
Conducting an appraisal meeting	141
Systematic development of competences	144
Recruiting new people	145
Selection interviewing	146
Avoiding recruitment pitfalls	149
Induction of new recruits	149
Building and leading the team: The underlying skills	150
Notes	151
Further reading	151
7 Culture, Creativity and Change	153
Culture and the growing organization	153
What is organizational culture?	154
Understanding the organization's culture	155
Is there a small-business culture?	156
The influence of founders and owners	157
Structure, empowerment and the can-do culture	162
Influencing culture positively	162
Maintaining freshness: Encouraging better ways of doing things	165
Renewal through learning, contribution and growth	166
Further reading	168
8 Managing Business Performance through Financial Analysis	169
The financial statements	170
Accounting principles	172
Exploring the profit and loss account	173
Exploring the balance sheet	178
Presentation of accounts for sole traders and partnerships	180
Maintaining adequate capital	181
Cash-flow statement	181
Why is profit not the same as cash?	183
Financial analysis	186
Using ratio analysis to understand financial performance	186
Further reading	194
9 Management Information Systems and Financial Controls	195
Controlling profit and cash	197
Controlling profit: The P&L account	201

Managing strategy through gross profit margin	201
Controlling cash: The balance sheet	201
Notes	214
Further reading	214
10 Planning for the Future	217
Types of business plans	217
The strategic business plan	218
Stages of strategic planning	218
Preparation	219
Business review	223
Customer feedback and market research	225
Setting objectives	225
Setting corporate strategy	229
Financial adequacy	230
Reviewing and revising the strategic plan	242
Operational action plans	244
Monitoring the strategic plan	249
Note	251
Further reading	251
11 Hazards on the Path to Growth	253
Stay focused or venture into new markets?	253
Failure to let go	255
A future role for the founder	257
Appointing a successor to the founder CEO	259
Family members on the payroll	261
Failure to delegate effectively: Undermining management	261
Owner-manager guilt as a barrier to growth	262
Note	263
Appendix 1: Example of a Strategic Business Plan	265
Appendix 2: Example of a Marketing Plan	275
Appendix 3: Example of a Job Specification	287
Appendix 4: Costing and Pricing Example	291
Index	297